

JUSTICE DEPARTMENT SPECIAL PROSECUTOR CONTACTS
(BNL and Inslaw)

Both the BNL and Inslaw investigations prompted articles in the media discussing both real and speculative associations with the BCCI investigation. On November 20, 1992, I sent letters to J. William Roberts, then the Director of the BNL Task Force, and Judge Nicholas Bua, Special Counsel for the Inslaw investigation. [Attachments 10-A, 10-B]. I asked each of them for any information they might develop in their own investigations that might be relevant to the BCCI case, and assured them that we would provide them with the same courtesy.

It was our view, however, that the FBI-BCCI Task Force should not seek to duplicate or supplant any aspect of these other investigations, both of which by that time had far more Departmental attention and support. Indeed, many of the FBI agents were reassigned from the BCCI case to BNL for the Lacey investigation, and were reassigned to other matters at the conclusion of that effort.

On December 9, 1992, I sent a follow-up letter to Director Roberts, containing some information relating to BNL which we had
NW: 15457 DocId: 70002067 Page 1

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23

just received. [Attachment 10-C]. On that same date, AUSA Gale McKenzie (N.D.Ga.) sent me a number of documents which I had requested relating to connections between BNL and BCCI. Items 1-5 from that communication are annexed hereto. [Attachment 10-D].

We also received a response dated December 7, 1992, from Judge Bua, citing one allegation connecting the death of free-lance journalist Joseph Daniel Casolaro to the BCCI case, but noting that to date he had been "unable to discover any concrete evidence either documentary or testimonial that BCCI had any role in or connection to the matters that are the subject of [his] investigation. [Attachment 10-E].

There was nothing in Judge Bua's final report connecting his investigation to BCCI, and he concluded that Casolaro had committed suicide. However, despite my request for a complete and unredacted copy of the report, I was only able to review the public version that was deleted of all 6(e) material, a great deal of which was provided in connection with matters and witnesses previously linked to the alleged BCCI connection (pages 39-60 of the redacted Bua report).

Casolaro was found dead in his hotel room in Martinsburg, Virginia, on August 10, 1991. His death was ruled a suicide by local authorities. A free-lance journalist, he had been working on a story that purported to link the Inslaw matter to such other controversies as the alleged 1980 October Surprise and Iran-contra. Shortly before his death, he told people that he had just uncovered a connection to the BCCI case, and he was allegedly going to

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Martinsburg to meet with a key witness who was to help him put his "Octopus" theory together.

Between September and November 1992, a number of different agents from the FBI-BCCI Task Force interviewed friends and relatives of Casolaro, William and Nancy Hamilton of Inslaw, and their attorney, Elliott Richardson. A Los Angeles field office agent later interviewed Michael Riconosciuto, who was named in Judge Bua's reply to our December letter. The agents were unsuccessful in arranging a meeting (as was I on a later occasion) with the informant of another WMFO agent who claimed to have information connecting Inslaw with BCCI. However, I believe that this individual may have been among the persons interviewed by Judge Bua's staff.

In December 1992, a Chicago attorney wrote the FBI alleging that a number of persons with information about Inslaw and BCCI had been murdered, or had disappeared, or had been harassed. This attorney had brought suit against Judge Bua in federal district court several months earlier, on behalf of Michael Riconosciuto. The suit was subsequently dismissed as patently frivolous (see page 69 of the 3/93 Bua report).

However, some questions remain in my mind about the Casolaro death and his allegations. Before the Task Force was broken up, I asked each of the agents for his or her subjective, off-the-record view of the case. At least half of them thought the matter should be further pursued and questioned the conclusion of a suicide. I thought that level of doubt was especially significant, because

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even at that time (December 1992), it was clear that to express those views risked one's own judgment being called into question.

Last Fall, when the agents attempted to learn about the Casolaro case, they met with almost complete resistance from the Martinsburg police and prosecutor's office. Recently, however, the FBI agent in Pittsburgh who covers the Martinsburg area has told a WMFO agent that the local officials simply felt besieged by outsiders, many of whom were criticizing the way that Casolaro's death was being investigated. The Pittsburgh agent claims that Martinsburg handled the case properly (though he never did his own investigation) and has invited us to make a visit there.

In March 1992, during their own investigation of the Inslaw matter, investigators from the House Judiciary Committee took the sworn deposition of Thomas Gates, an FBI agent in Los Angeles, which I have reviewed. Gates told them that in pursuit of his Inslaw story, Daniel Casolaro had contacted certain individuals previously encountered by Gates himself in an FBI organized crime investigation. One of them, Robert Booth Nichols, had previously threatened Gates' life and filed a civil lawsuit against him. Nichols had allegedly also threatened Casolaro, and Gates warned Casolaro to be careful in his dealings with Nichols. Gates had two or three telephonic contacts with Casolaro, the last of which occurred shortly before the writer's death. After hearing of the death, Gates shared his knowledge about Casolaro and Nichols with both Martinsburg officials and the FBI Resident Agent. They expressed little interest. He suggested to the latter that the FBI

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26

consider the case for a possible ITAR/murder investigation. No such case was opened, and Gates himself did not pursue it.

In his deposition, the subject of BCCI came up only once, when Gates was asked about the Arab Bank Limited, and he said he had no knowledge that the bank was connected in any way with the investigation into BCCI. Gates also indicated that he had knowledge of other information that might be relevant to the investigators' questions, but that he could not reveal it because it came from grand jury material or electronic surveillance.

Judge Bua's report suggests that his staff did interview Robert Nichols (see page 54 of the Bua Report) but not Agent Gates. However, the redacted version of the report available to me gives no hint of the scope of the Nichols' interview, and it clearly appears from reading that section of the report that the individual of primary concern to Judge Bua (properly so, given the allegations made by Michael Riconosciuto) was John Nichols, not Robert Booth Nichols (see pages 53-60 of the Bua Report). The latter has often been suspected of having intelligence community connections and has even claimed them.

The inquiry into Casolaro's death by the BCCI Task Force began before my arrival, and I supported it thereafter. I believe from my own review of Casolaro's notes that if he was murdered, venue

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for an ITAR investigation would properly lie in any of three districts - Los Angeles, Martinsburg, or Washington (and possibly E.D. Va.). Of course, for purposes of this investigation, the larger question is whether his death was connected in any way to the recent pronouncements he had made about finding a BCCI link, whether or not there was any factual basis for his theory. Assuming Casolaro did commit suicide, it would still be important to know if he had received threats related to his claim of having uncovered a BCCI connection.

I want to emphasize that I am not criticizing the Inslaw report prepared by Judge Bua. His focus was on Inslaw, and a key figure for him was John Nichols. In contrast, Robert Booth Nichols seems to have warranted little attention. For our purposes, however, it is Robert Booth Nichols who may be an important witness. Given the fact that Nichols threatened an FBI agent who was apparently not interviewed by Judge Bua, an agent who later told Congressional investigators he actually knew more than he was able to reveal to them, and given the fact that Casolaro's death occurred shortly after Casolaro met with Nichols, received threats himself, and then claimed to have found a link to the BCCI investigation, and given the fact that there certainly are persons who figure into the 1980 hostage negotiations, Iran-contra, and BCCI, I feel we need to pursue the actions noted below.

Recommended further actions:

- 1) Review an unredacted copy of the pertinent parts of the report by Judge Bua, or at least ascertain any information available in the full version about BCCI or Robert Booth Nichols.

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- 2) Interview S/A Gates of the FBI.
- 3) There have been allegations that a key source of Casolaro's, an employee of the electronic surveillance station at Vint Hill Farm (Va.), was found murdered at National Airport shortly before Casolaro's own death. An inquiry into this allegation was assigned by the WMFO but has remained pending for months. It needs to be completed in order to determine if there is any merit to the allegation.
- 4) Interview James Starr, the GWU Professor of Law and Forensic Sciences who, according to Judge Bua, was "reported" to have reviewed the forensic investigation into Casolaro's death (page 249).

If deemed appropriate after steps 1-4.

- 5) Interview Robert Booth Nichols.
- 6) Visit Martinsburg and meet with local officials.
- 7) Re-evaluate after #4 or #6, both in terms of the BCCI investigation and in terms of whether any basis exists for a separate federal ITAR case.



U. S. Department of Justice

Washington, D.C. 20530

The Honorable Nicholas J. Bua
Burke, Bosselman & Weaver
55 W. Monroe Street
Suite 800
Chicago, Illinois 60603

NOV 20 1992

Dear Judge Bua:

I have been asked by the Assistant Attorney General for the Criminal Division, Robert S. Mueller, III, to assist the FBI Task Force in its investigation of various allegations involving the Bank of Credit and Commerce International (BCCI). One allegation that has appeared in the media is that there may be some connection between the Inslaw/DOJ dispute, or the death of Daniel Casolaro, a journalist investigating the dispute, and BCCI.

The Task Force would like to know whether or not your investigation into the Inslaw matter has uncovered any documents or persons with information about BCCI. We would appreciate having the opportunity to examine any such documents or witnesses.

My mailing address is listed below. The main phone number for the Task Force is (202) 324-9300. In my absence, please ask for the FBI Inspector-in-Charge, Leroy M. Teitsworth, or Supervisory Special Agent John N. Richardson. Thank you for your consideration of this request.

Very truly yours,

Gary J. Peters
U.S. Department of Justice
10th & Constitution Ave., N.W.
Room 4513 - Main
Washington, D.C. 20530

cc: Leroy M. Teitsworth, IIC
FBI-BCCI Task Force

U.S. Department of Justice



Nicholas J. Bua
Special Counsel To The
Attorney General

Burke Basselman & Weaver
55 W. Monroe Street, Suite 800
Chicago, Illinois 60603

(312) 263-3600

December 7, 1992

Gary J. Peters
U.S. Department of Justice
10th & Constitution Ave., N.W.
Room 4513--Main
Washington, D.C. 20530

Re: FBI-BCCI Task Force

Dear Mr. Peters:

This is in response to your letter of November 20, 1992, requesting information about any documents or persons with information about BCCI. As you know the principal focus of my investigation has been on allegations made by INSLAW, Inc. concerning the Justice Department's handling of its contract with INSLAW.

Nevertheless, I have reviewed certain matters during the course of the investigation, including allegations that have appeared in the press about the death of Joseph Casolaro and allegations made by one Michael Riconosciuto, which contain hints about some connection between INSLAW's difficulties and the BCCI. Although my investigation is not yet complete, to date I have been unable to discover any concrete evidence either documentary or testimonial that BCCI had any role in or connection to the matters that are the subjects of my investigation.

If during the course my investigation I develop any concrete information involving the BCCI, I will inform you.

Sincerely,

Nicholas J. Bua

DEPARTMENT OF JUSTICE
EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: CASOLARO, M. ANTHONY & THE CASOLARO FAMILY, ARLINGTON, VA
To: AG. ODD: 05-04-93
Date Received: 04-07-93 Date Due: 05-04-93 Control #: X93042006899
Subject & Date

03-04-93 LETTER (REC'D FROM OAG) REQUESTING A MEETING WITH
THE AG TO DISCUSS THE FACTS SURROUNDING THE DEATH OF
JOSEPH DANIEL CASOLARO. ADVISES THAT OFFICIALS HAVE
RULED THE DEATH AS A SUICIDE, BUT THEY ARE NOT CONVINCED
OF SUCH AN ACT. INDICATES THAT THE HOUSE JUDICIARY
COMMITTEE RECOMMENDED AS PART OF ITS AUGUST 1992 REPORT ON
THE INSLAW AFFAIR THAT AN INDEPENDENT COUNSEL BE APPOINTED
TO INVESTIGATE THE CIRCUMSTANCES OF HIS DEATH.

Referred To:	Date:	Referred To:	Date:	W/IN:
(1) OAG;TEMPLETON	04-20-93	(5)		
(2) ASG;HUBBELL	08-25-93	(6)		
(3)		(7)		PRTY:
(4)		(8)		1A
INTERIM BY:		DATE:		OPR:
Sig. For:	NONE	Date Released:		MAU

Remarks

INFO CC: CRM.

(1) ORIGINAL TO OAG.
(2) PER OAG, REFERRED TO ASG. PLEASE ADVISE EXEC. SEC.
OF ACTION TAKEN. (LH)

Other Remarks:

FILE: AG MEETINGS/REQUESTS-CITIZENS

KJ, Dwyer

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PULMONARY AND MEDICAL ASSOCIATES OF NORTHERN VIRGINIA, LTD.

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Steven M. Zimmet, M.D., F.A.C.P.
Wilson L. Coudon, M.D., F.A.C.P.
Deborah L. Gofreed, M.D.
M. Anthony Casolaro, M.D.
Lawrence M. Stein, M.D.

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DEPARTMENT OF JUSTICE

'93 APR -7 AM 104

1400 South Joyce Street, A-102
Arlington, Virginia 22202-1898

Telephone 703 521-6662
FAX 703 521-5991

Arthur F. Hammarstrom, Administrator

EXECUTIVE SECRETARIAT

March 4, 1993

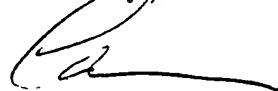
Dear Ms. Reno:

We respectfully request a meeting with you in your capacity as Attorney General Designate. We hope to discover the facts surrounding the death of our brother/son/father Joseph Daniel Casolaro.

Danny was found dead in Martinsburg, West Virginia on Saturday, August 10, 1991. We were not informed of his death until Monday, August 12, two days following the illegal embalming of his body. Although the West Virginia authorities officially ruled Danny's death a suicide, we are not convinced. The House Judiciary Committee recommended as part of its August 1992 report on the Inslaw affair that an independent counsel be appointed to investigate the mysterious circumstances of his death.

Thank you for your attention.

Sincerely,



M. Anthony Casolaro, M.D., F.A.C.P.
and the Casolaro Family

cc: President Bill Clinton
Vice President Al Gore

Monday At 18

DEPARTMENT OF JUSTICE
EXECUTIVE SECRETARIAT CONTROL DATA SHEET

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Referred To:	Date:	Referred To:	Date:
(1) OAG;TEMPLETON	04-20-93	(5)	
(2)		(6)	
(3)		(7)	
(4)		(8)	

W/IN:
PRTY:
IA
OPR:
MAU

INTERIM BY:
Sig. For: NONE

DATE:
Date Released:

Remarks

INFO CC: CRM.

(1) ORIGINAL TO OAG.



referred to ASG

Other Remarks:

Walt - wants AG to meet w/ Casolaro -

(300) 18^{ON} -

FILE: AG MEETINGS/REQUESTS-CITIZENS

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Final Preparation
Version

TABLE OF CONTENTS

I.	Introduction	1
II.	Casolaro's Background	7
A.	<u>Childhood and Adolescence</u>	7
B.	<u>Early Adulthood and Marriage</u>	8
C.	<u>Life After Terrill</u>	11
D.	<u>Professional Frustrations</u>	12
III.	"The Octopus"	13
A.	<u>Introduction</u>	13
B.	<u>Casolaro's Sources</u>	14
1.	<u>Casolaro's Notes</u>	15
2.	<u>Michael Riconosciuto</u>	16
a)	<u>General</u>	16
b)	<u>Riconosciuto's Allegations Regarding Peter Videnieks</u>	17
c)	<u>Riconosciuto and Judge Bua</u>	21
3.	<u>Robert Booth Nichols</u>	21
4.	<u>Major Joseph Cuellar</u>	25
5.	<u>William Turner</u>	28
6.	<u>Charles Hayes</u>	30
C.	<u>Efforts to Obtain a Book Contract</u>	32
D.	<u>The "Octopus" Treatment</u>	40
E.	<u>Drinking Problems</u>	41
F.	<u>Physical Problems and Casolaro's Concerns About Multiple Sclerosis</u>	42
G.	<u>Possible Pre-Suicidal Behavior</u>	43
H.	<u>The Final Week</u>	45

IV.	Casolaro's Death	55
A.	<u>Discovery of the Body</u>	55
B.	<u>The Death Scene</u>	56
1.	<u>Casolaro's Body</u>	56
2.	<u>The Bathroom</u>	57
3.	<u>The Bedroom</u>	58
4.	<u>The Suicide Note</u>	59
5.	<u>Casolaro's Car</u>	60
C.	<u>Interviews of Hotel Employees</u>	60
D.	<u>The Coroner's Investigation</u>	61
E.	<u>Handling of Death Scene Following Removal of Body</u> .	62
F.	<u>Examination and Embalming of Body at Funeral Home</u> .	62
G.	<u>Notification of Next-of-Kin</u>	65
V.	The Autopsy	67
VI.	Review of the Autopsy	71
VII.	Further Police Investigation Before and After <u>the Autopsy</u>	72
A.	<u>Investigation at Sheraton Inn</u>	72
B.	Reconstruction of Casolaro's Final Days In <u>Martinsburg</u>	74
C.	<u>Contacts with Casolaro's Family and Friends</u>	75
D.	<u>Contacts with Casolaro's "Sources"</u>	75
E.	<u>Pursuit of Additional Leads</u>	77
1.	<u>Attempts to Trace Razor Blades</u>	77
2.	<u>The White Wine</u>	77
3.	<u>The Shoelaces</u>	78
4.	<u>"Ibrahim" Passport Photo</u>	78

5. <u>Other Forensic Tests</u>	78
a) <u>Blood samples</u>	78
b) <u>Suicide note</u>	79
c) <u>Fingerprints</u>	79
d) <u>The Wine in the Bathroom</u>	79
e) <u>Blood Spatter Analysis</u>	79
6. <u>Financial Investigation</u>	81
F. <u>Comment on the Martinsburg Police Investigation</u>	82
VIII. Miscellaneous Leads	83
A. <u>"Village Voice" Phone Call</u>	83
B. <u>Casolaro's Fear of Needles and Blood</u>	84
C. <u>Casolaro's Planned Meeting In West Virginia</u>	84
D. <u>The Paper in Casolaro's Shoe</u>	85
E. <u>The "Mystery Man" at Casolaro's Funeral</u>	86
IX. Psychological Autopsy	86
X. Conclusion	88

I. Introduction

Joseph Daniel ("Danny") Casolaro was a self-styled, unemployed freelance writer and "investigative reporter" who had been working on a story involving the links between various Washington "scandals" of the 1980's, including Inslaw, the Bank of Credit and Commerce International (BCCI), the "October Surprise," Iran-Contra, the Iraqi arms procurement network, and the collapse of the savings and loan industry. Casolaro's theory was that these scandals had all been the handiwork of a diabolical, shadowy group of people whom he referred to as the "Octopus." Casolaro began working on the story full-time in early 1990.

On Saturday afternoon, August 10, 1991, Casolaro was found dead in Room 517 of the Sheraton Inn located in Martinsburg, West Virginia. Casolaro's body was in the bathtub. The tub was filled with bloody water. Both of Casolaro's wrists had been slashed. The Police determined Casolaro's identity and home address in Northern Virginia from his driver's license, which they found in the hotel room among his other personal effects.

After a brief investigation at the scene, the Police Department and the county coroner determined the cause of death as suicide. The Coroner released the body to a local funeral home, where the body was embalmed. The Martinsburg police sent a teletype to the Fairfax County Police Department in Northern Virginia, requesting that Casolaro's relatives be notified of his death.

Due to a mix-up, Casolaro's relatives were not notified until Monday morning, August 12, 1991. Casolaro's brother, a Fairfax County physician, told the Martinsburg Police about Casolaro's work on the "Octopus" story, and suggested that many people would have had a motive to kill Casolaro. He explained that Casolaro had told people he was travelling to Martinsburg to meet a key source. Casolaro's brother insisted that an autopsy be conducted, and he questioned how Casolaro's body could have been embalmed so quickly, without the knowledge or consent of Casolaro's family.

Soon after the call from Casolaro's brother, the Martinsburg Police Department was deluged with inquiries from the news media, from friends of Casolaro, and from congressional investigators. Questions were raised about the cause and circumstances of Casolaro's death. Some insisted that Casolaro would never have committed suicide, because he had told friends he was on the verge of breaking the "Octopus" story he had been pursuing for nearly two years. Still others described Casolaro as excited and enthusiastic, and hardly on the brink of suicide. They noted that Casolaro had made social plans for the week following his return from Martinsburg; and, as a devout Catholic, he would have considered suicide a mortal sin. They also explained that Casolaro had a near-paranoid fear of needles, and that it would have been inconceivable for him to have slashed his own wrists. They noted that the depth of the wounds -- so deep that a tendon had been cut -- suggested that the wounds had not been self-

inflicted.

Faced with this sudden and intense public interest in the case, the West Virginia authorities ordered an autopsy. The West Virginia Deputy Chief Medical Examiner performed the autopsy on August 13-14, 1991, and determined the cause of death as suicide. The autopsy also disclosed that Casolaro had been suffering from multiple sclerosis and arteriosclerosis. The autopsy found no evidence suggesting Casolaro had been murdered.

The autopsy findings, however, did little to quell the controversy over Casolaro's death. The media and others raised many questions about the circumstances of Casolaro's death and the adequacy of the police investigation and the autopsy. Some suggested that Casolaro had been murdered because he was about to expose the "truth" about the "Octopus." Various theories appeared in the media about "who killed Danny Casolaro." The House Judiciary Committee, which had previously begun an investigation into Inslaw's dispute with the Justice Department, broadened its inquiry to include an examination of Casolaro's death.

Faced with these continuing questions about its investigation, the Martinsburg Police Department reopened the case and conducted a second, more intensive investigation. On January 25, 1992 the West Virginia authorities announced that their additional investigation had concluded that Casolaro indeed had committed suicide, and that the case was closed.

Nevertheless, media and congressional interest continued.

Critics of the West Virginia investigation charged that the embalming of Casolaro's body had been performed illegally, and had prevented accurate toxicological studies of Casolaro's bodily fluids. Critics also noted that the police had failed to preserve a sample of the bloody bathtub water; that they had failed to ensure that the hotel room was properly sealed after removing Casolaro's body; and that they had failed to recover any of Casolaro's notebooks and papers.

The crescendo of interest in Casolaro's death peaked on September 10, 1992, when the Democratic Members of the House Judiciary Committee issued a report entitled The Inslaw Affair. The report raised many questions about the circumstances of Casolaro's death. Accompanying the report was a formal request from Committee Democrats to then-Attorney General William P. Barr, requesting the appointment of an Independent Counsel to investigate six specific issues involving Inslaw, including "the lingering doubts over certain suspicious circumstances surrounding the death of Daniel Casolaro."

Attorney General Barr rejected the request for appointment of an Independent Counsel, partly because he had previously appointed retired federal Judge Nicholas Bua as a Special Counsel to review Inslaw's software theft allegations against the Justice Department. Judge Bua submitted his report to Attorney General Janet Reno in March 1993. Judge Bua reviewed the Martinsburg Police Department's investigation into Casolaro's death, and he found no basis for challenging the conclusion that Casolaro had

committed suicide. (Bua report, 246-50).

On July 12, 1993, Inslaw and its attorneys issued a written "Analysis and Rebuttal" of Judge Bua's report. The rebuttal criticized Judge Bua's review of the Casolaro matter, particularly his failure to interview certain individuals.

On November 1, 1993, the Associate Attorney General and the Deputy Attorney General ordered a review of the Casolaro matter, to determine whether there was any basis for opening a federal investigation into Casolaro's death. Assistant United States Attorney Steven E. Zipperstein, who had been serving on temporary assignment in Washington, D.C. from his permanent post in Los Angeles, was assigned to conduct the review. Supervisory Special Agent Scott A. Erskine of the FBI's Washington Metropolitan Field Office was assigned to assist Mr. Zipperstein.

The review was conducted in two phases. During the first phase, Zipperstein and Erskine reviewed the West Virginia investigations into Casolaro's death. They reviewed all the police reports, the autopsy, and documents generated during an unsuccessful lawsuit the Casolaro family had filed against the Coroner and the funeral home regarding the embalming of Casolaro's body. Included among those documents were the sworn depositions, taken by the Casolaro family's attorneys, of the Coroner and funeral home personnel. Zipperstein and Erskine travelled to West Virginia and interviewed the police officers involved in the investigation of Casolaro's death. They also interviewed the Deputy Chief Medical Examiner who had conducted

the autopsy.

During the second phase of the review, Zipperstein and Erskine pursued various leads that had been raised in the media and in the House Judiciary Committee Report, and attempted to answer other questions raised by Casolaro's family. During this phase, Zipperstein and Erskine conducted numerous interviews of Casolaro's friends, family and associates in Virginia, West Virginia, Washington, D.C., Maryland and California (see list of interviews in Appendix). They obtained documents from various sources throughout the United States, including many of Casolaro's personal papers on file at the Investigative Reporters and Editors Association at the University of Missouri.

Zipperstein and Erskine also obtained the physical evidence originally found in the hotel room and elsewhere, and had the FBI laboratory conduct additional tests on some of that evidence. They examined Casolaro's background, and had the FBI's Behavioral Sciences Unit at the FBI Academy in Quantico, Virginia conduct an equivocal death analysis, or "psychological autopsy." Other experts were consulted as well, including a former President of the National Academy of Forensic Sciences, and a George Washington University Law Professor who had previously reviewed the Casolaro autopsy report on behalf of a group of Washington-based journalists.

Zipperstein and Erskine also reviewed documents at the Central Intelligence Agency and at FBI headquarters. In addition, they met with Inslaw's owners and attorneys, received

documents and other information from them, and followed various leads they had provided. Finally, they reviewed all the telephone calls and mail received by the producers of the television program "Unsolved Mysteries," following the airing on March 11, 1993 of a segment about Casolaro's death.

II. Casolaro's Background

A. Childhood and Adolescence

Casolaro was born on June 16, 1947. He was the second of seven children, and was raised in a traditional Italian Catholic family in Northern Virginia. His father was a successful gynecologist, his mother a homemaker. By all accounts Casolaro enjoyed a happy childhood. The family lived in McLean, an exclusive Fairfax County suburb of Washington, D.C. The family was close-knit, religious, and financially secure. Casolaro was an altar boy at the local church, and the family was very close to the parish priest.

There are also indications, however, that Casolaro's childhood was not completely idyllic. For example, when he was eleven he ran away from home briefly. Casolaro admired his father greatly, but never seemed interested in following his father's footsteps and studying medicine, nor did his father pressure him to study medicine, even after Casolaro's younger brother Tony enrolled in medical school.

As an adult, Casolaro occasionally remarked to close friends that he was the "black sheep" of the family, because he had

failed to become successful like his father or his brother Tony. No one in Casolaro's family that we spoke with, however, viewed him as the "black sheep." Indeed, the most tragic aspect of Casolaro's death is that he left behind a devoted group of family and friends who truly loved him. One of Casolaro's closest friends, Ann Klenk, told us that Casolaro "always wanted to be special; he didn't know that he was special."

When Casolaro was fourteen his mother gave birth to a son, Christopher, the sixth child in the family. Unfortunately, Christopher died a few months later of a heart defect. This was the beginning of what were to be many tragic events in Casolaro's life.

Casolaro grew to become a handsome teenager, and took great pride in his physical appearance. He experienced mixed results in school. He began attending high school at St. John's, but after a poor start transferred to Emerson Preparatory, where he did better. He attended St. Muir College for one year, then transferred to Providence College for his second and third years. During this time Casolaro also took trips to Europe and South America, and became interested in mountaineering.

B. Early Adulthood and Marriage

Casolaro spent one of his summer vacations from Providence College working in Washington, D.C. on Capitol Hill. While there, he met a former Miss Virginia named Terrill Pace, who many describe as the one true love of Casolaro's life. Terrill was separated from her husband and had a baby son (Colby)

when Casolaro first met her. They married in 1967, when Casolaro was 20 years old and in his third year of college.

Casolaro left school to support Terrill and her baby. They moved to Ft. Lauderdale, to a house owned by Casolaro's parents. Casolaro and Terrill had a son, Joseph Daniel Casolaro III, whom they called "Trey."

Casolaro had been interested in books, writing, music and poetry as a teen, and those interests continued into adulthood. Casolaro frequently wrote poems and song lyrics, but was never able to make a career as a songwriter. Casolaro also wrote short stories, but was never able to sell any for publication. In 1973 Casolaro paid a "vanity" publishing house to publish a collection of his short stories entitled "Makes Me Think of Tall Green Grass." The volume contains five short stories, totalling 50 pages. The stories read like imitations of Hemingway. Some of the stories appear based on events from Casolaro's own life, such as the death of a childhood pet. The story about the pet, entitled "All Magic and Dreams," is written in the first person. At the end of the story, the protagonist describes his feelings after his pet had died:

"I never saw Hobo again. . . . But I do hear from Hobo in my dreams. When I look into the mirror, I can catch feelings of what it's like not to be me. To be him maybe, fluttering in space, two white wings with warmth in between, showing me affection. And I'd ask God to bring him back. I could feel that way then because I loved God, not like I loved my dog or cat or sister, but like I loved a wishing well, all magic and dreams."

Unable to find work as a songwriter or author, Casolaro supported his family by working as a stringer or staff writer for

various newspapers. In Florida, Casolaro worked briefly for the Miami Herald. After a short time in Florida, however, Casolaro and Terrill moved back to Northern Virginia to be nearer to his family. Casolaro's parents had separated and were going through divorce proceedings, and Casolaro's father had become ill.

In March 1970 tragedy struck the family again. Casolaro's mother's house caught fire while Casolaro's younger sister Lisa was inside, babysitting Trey and Colby. Although no one was hurt, the fire destroyed the house. This event, however, foreshadowed a much greater tragedy for the Casolaro family.

In 1971, Lisa Casolaro committed suicide by overdosing on drugs. Lisa, who was 18 years old at the time of her death, had left the family and moved to the Haight-Ashbury district in San Francisco. Her death devastated the family. Casolaro was particularly close to Lisa. When she was born, Casolaro (then six years old) became instantly enamored of her. He referred to her as "my baby," and fought with his older sister Mary Ellen over "possession" of Lisa.

Casolaro's marriage to Terrill was tumultuous. Although Casolaro adored her, they clashed frequently and bitterly.

Terrill [redacted] and became increasingly volatile as the years passed. Terrill eventually left Casolaro for another man when Trey was about ten years old. After a failed attempt at reconciliation, Casolaro and Terrill were divorced in about 1981. Casolaro obtained custody of Trey, and raised him in a rural subdivision in Fairfax County.

C. Life After Terrill

Casolaro was crushed after his marriage failed. In 1981, around the time of the divorce, Casolaro published another "vanity" book, a novel entitled "The Ice King," about a mountaineering expedition to Ecuador. In that novel, again written as if by Hemingway, the character modeled after Casolaro falls to his death in a failed attempt to reach a dangerous mountain peak in Ecuador.

Following his divorce from Terrill, Casolaro dedicated himself to raising Trey. While Casolaro tried hard to be a good father, he became frustrated with himself after Trey began experiencing problems in school. Eventually Trey dropped out of high school and moved to Colorado. Casolaro kept in close touch with Trey, and often told friends and relatives of his devotion to his son.

As time passed following his divorce, Casolaro began to venture out socially, and he seemed to enjoy life. He led an active social life, and was well known at the local bar and night club scene in the Washington, D.C. area. Many of his friends, both male and female, were considerably younger, but Casolaro also maintained friendships with several couples who were considerably older. He was known as a popular, outgoing raconteur who always seemed to be in the company of beautiful women. His friends uniformly describe him as generous, thoughtful, considerate, and fun-loving.

D. Professional Frustrations

Casolaro enjoyed little career success. His friends describe him as more a dreamer than a career-oriented professional. He wanted to become a mainstream journalist, but was never able to land a permanent staff position with a major newspaper or magazine. He had always fancied himself an investigative reporter, but had never succeeded in that pursuit, albeit not for lack of trying. In the mid-1970's, for example, Casolaro spent considerable time pursuing an "alternative" theory of the Watergate break-in.

Various people have described Casolaro's "theory" as centering around the notion that the break-in was actually engineered by intelligence operatives loyal to the Democratic Party. According to Casolaro's theory, the Democrats knew they would lose the 1972 election, so they engineered the Watergate break-in, making it appear to be a Republican "dirty trick," thereby sowing the seeds for President Nixon's eventual downfall. In Casolaro's mind, if he could prove this alternative Watergate theory, he would be viewed as having outdone even Woodward and Bernstein as a journalistic sleuth.

Casolaro also pursued many outside interests, including music, poetry, mountaineering, and Arabian horses, but was never recognized in those fields. Against this backdrop, Casolaro developed an interest in the computer industry during the early 1980s, looking for a journalistic niche that might bring a steady income while he could pursue his other interests. In the early

part of the decade he found a job with a trade newsletter called Computer Age, which at the time was the only daily publication in the United States devoted solely to the computer industry.

Casolaro experienced unprecedeted professional success at Computer Age. He did well, and the newsletter prospered with the computer industry boom. Eventually Casolaro bought the publication. His fortunes, however, soon turned bitterly sour. In early 1990, Casolaro began experiencing financial difficulties. While his family had always helped him when he was short of money, this time his problems were so acute that he was forced to sell Computer Age. Casolaro thought he would continue working for the new owner, but the new owner fired him.

This was the low point of Casolaro's career. Casolaro became upset and depressed, feeling that he had been cheated out of his business and his job. Casolaro once again had to turn to his family for financial assistance. Although Casolaro owned his house in Fairfax County on Pine Tree Drive, he had a mortgage with a large balloon payment coming due in August 1991. He was looking for something new; something that would finally bring him the recognition and financial success that he had long sought as an aspiring journalist and writer.

III. "The Octopus"

A. Introduction

In mid-1990 a friend of Casolaro's named Terry Miller told him about Inslaw's dispute with the Justice Department, and

suggested he contact Inslaw's owners, William and Nancy Hamilton. Thus began the last chapter of Casolaro's life. For the next several months, Casolaro became obsessed with the Inslaw story and the web of conspiracy theories surrounding the allegations of a plot to steal the Promis software and sell it to foreign governments and intelligence agencies. Using Inslaw as a starting point, and building on his earlier Watergate work, Casolaro theorized that the Inslaw story was merely one "tentacle" of an "Octopus" that had been engaged in international intrigue since the early 1950s.

Casolaro worked day and night beginning in mid-1990, trying to sort through the maze of bizarre tales he had been hearing from the Hamiltons and others. The Hamiltons put Casolaro in touch with various fringe elements, ex-convicts, and other people, all of whom seemed to share an interest in various conspiracy theories about the world. For the next year Casolaro pursued the story until it exhausted him, both physically and emotionally.

B. Casolaro's Sources

Casolaro's telephone records during 1990 and 1991 reflect that he spent hours on the telephone, at all hours of the day and night, with various "sources." His principal sources were the Hamiltons, with whom Casolaro was in almost daily contact. They, in turn, put Casolaro in touch with other "sources."

Following is a discussion of Casolaro's relationship with

the sources most prominently reflected in his phone records and handwritten notes. We begin with a discussion of Casolaro's notes.

1. Casolaro's Notes

Casolaro took hundreds of pages of haphazard notes during his many phone calls with the Hamiltons and his other sources. The notes typically were undated, and failed to identify the source of information reflected in the notes. Casolaro's close friend Ann Klenk found his notes in the basement office of his house the day his death was disclosed. Ms. Klenk provided the notes to Tara Sonenshine, a producer for ABC's Nightline program. Ms. Sonenshine examined the notes, and told Ms. Klenk that the notes did not appear to contain any clues about Casolaro's death. Several other journalists looked at the notes and arrived at the same conclusion. Ms. Klenk had the notes sent to the Investigative Reporter's and Editor's Association (IRE) at the University of Missouri, where they were catalogued and archived. We obtained a complete set of the notes from IRE. We also obtained copies of certain pages that Ms. Klenk had kept.

We have carefully examined the notes, consisting of several hundred pages. The notes are filled with names, places, phone numbers, diagrams, and references to various international intrigues, including arms dealing, drug trafficking, chemical warfare, money laundering, terrorism, and political assassinations. Some of the notes appear to have been taken

during telephone conversations with various people, while other notes appear to reflect information obtained from newspaper articles and magazines. They are as confused and jumbled as the various conspiracy theories reflected in them.

The majority of Casolaro's notations appear to reflect information he received from his various sources. Following is a discussion of Casolaro's most prominent sources, other than the Hamiltons.

2. Michael Riconosciuto

a) General

One of the sources the Hamiltons most prominently mentioned to Casolaro was Michael Riconosciuto, a convicted drug dealer, burglar and bail jumper, and former child science prodigy, who claimed to have secret information about the alleged theft of the Promis software. Casolaro spoke frequently with Riconosciuto, and Riconosciuto apparently mesmerized Casolaro with his stories. Obviously an intelligent person, Riconosciuto had the ability to take several unconnected pieces of information and weave them together into bizarre tales of international arms dealing, espionage, and intrigue.

Riconosciuto provided information to Casolaro about supposedly secret arms manufacturing and arms dealing activities centered at the Cabazon Indian Reservation near Palm Springs, California. Riconosciuto was able to weave real people and events into his stories enough to make it sound as if his stories, strange as they were, had been based on fact.

Riconosciuto told Casolaro about the October Surprise, the Cabazon-Wackenhut joint venture, about Earl Brian, Robert Booth Nichols, John Philip Nichols, the late Michael Morasca, and a host of other people who Riconosciuto had claimed were involved in international arms dealing.

b) Riconosciuto's Allegations Regarding
Peter Videnieks

Riconosciuto also claimed to have information about Inslaw's dispute with the Justice Department, although to this day it is not clear where Riconosciuto learned of the information. On March 21, 1991, Riconosciuto signed a sworn affidavit alleging that Peter Videnieks, a former Justice Department employee involved in administering the Inslaw contract, and a major target of Inslaw's accusations of conspiracy and illegality, had warned him in a February 1991 telephone call not to cooperate with the House Judiciary Committee's investigation of the Justice Department's dispute with Inslaw.

On March 29, 1991, eight days after he had signed the affidavit, Riconosciuto was arrested near Tacoma, Washington and charged in federal court with manufacturing methamphetamine. Riconosciuto's arrest so soon after he had signed the affidavit seemed suspicious to Casolaro, as well as to the House Judiciary Committee. It was suggested that the Justice Department might have ordered Riconosciuto arrested in retaliation for his allegations against Videnieks.

Following his arrest, Riconosciuto claimed to have a tape recording of his February 1991 telephone conversation with Videnieks. Riconosciuto said he threw the tape out of his car just before he was arrested. Casolaro flew to Tacoma to meet Riconosciuto and attempt to find the tape recording. Casolaro hoped that if he could find the tape recording containing Videnieks' alleged threats against Riconosciuto, he would be able to prove that the arrest was politically motivated. Casolaro thought he might be on the verge of exposing a major scandal.

In fact, there was no connection between the affidavit and Riconosciuto's arrest. Local authorities in Washington state had been investigating Riconosciuto, who had been operating a large methamphetamine laboratory, for months. The case was referred to federal authorities because Riconosciuto's prior narcotics conviction rendered him eligible for a lengthy federal prison term.

Casolaro and Judiciary Committee staffers tried to locate the tape recording Riconosciuto claimed to have tossed from his car. They (as well as the local police who had arrested Riconosciuto) searched the area near the spot where Riconosciuto had been arrested, but could not find the tape. The tape has never been found. We seriously doubt the tape ever existed, or that Videnieks ever spoke to Riconosciuto. Our doubts are based in large part on the fact that a jury heard both Riconosciuto and Videnieks testify under oath several months after Riconosciuto's arrest. The jury believed Videnieks.

The courtroom confrontation between Riconosciuto and Videnieks occurred at Riconosciuto's federal narcotics trial in early 1992, several months after Casolaro's death. Riconosciuto testified as a witness in his own behalf, and he repeated his earlier allegations about Videnieks' February 1991 phone call. (United States v. Riconosciuto, CR 91-1034B, (W.D. Wa.) (Trial transcript, 1542-44, Jan. 14, 1992)). The government subpoenaed Videnieks to travel to Tacoma and appear as a rebuttal witness. Videnieks testified that he had worked as a contract specialist at the Justice Department from 1981 through September 1990. He testified that he had never spoken to Riconosciuto, and that every paragraph of Riconosciuto's March 21, 1991 affidavit was false. (Transcript, 1749-57, Jan. 15, 1992). Riconosciuto's lawyer cross-examined Videnieks in front of the jury for only a few minutes, and was unable to refute any of Videnieks' denials of Riconosciuto's allegations. (Id. 1757-70).

Riconosciuto was convicted and sentenced to 30 years in federal prison. The trial judge noted at Riconosciuto's sentencing hearing that Riconosciuto had shown "no real remorse" for his methamphetamine manufacturing activity, that Riconosciuto had a "loose connection with the truth," and that Riconosciuto did not know the difference between truth and fiction. (Transcript of Sentencing Hearing, May 7, 1992, 37-38).

The Ninth Circuit Court of Appeals affirmed Riconosciuto's conviction on October 27, 1993 in an unpublished memorandum opinion (No. 92-30200). Riconosciuto raised no issues in his

appeal regarding Videnieks, Inslaw, or any other aspect of the conspiracy theories he had supplied to Casolaro.

Some people continue to claim, without any evidence, that Videnieks was involved in Casolaro's death. We interviewed Videnieks and are convinced by his denials. He also has an alibi. He and his wife were out of town together from August 5 through August 11, 1991 at their cottage in Treadwell, New York. Videnieks' personnel records reflect that he was on leave from August 5-9, 1991. Videnieks supplied a credit card receipt showing that he had made a purchase at a bookstore in Oneonta, New York on August 9, 1991, and telephone records showing that he called his brother at 8:35 p.m. on August 9, 1991 from his Treadwell cottage.

Riconosciuto has also claimed that Videnieks was connected to Earl Brian, thereby (according to Riconosciuto and others) making Videnieks more likely to have threatened Riconosciuto and to have been involved in Casolaro's death. According to Riconosciuto, his former girlfriend had a photograph of Videnieks and Earl Brian together at the Cabazon Indian Reservation, and had put the photograph into a storage locker for safekeeping. Federal investigators in Washington state located Riconosciuto's former girlfriend at our request and went with her to the storage locker. No photographs were found. The former girlfriend said she had no idea who Peter Videnieks was.

3. Robert Booth Nichols

Casolaro's phone records show that during the last few months of his life, he spent more time on the telephone with Robert Booth Nichols than anyone else. Booth Nichols is a self-styled "international businessman." Casolaro learned of him

through Riconosciuto. Casolaro spent countless hours on the phone with Booth Nichols, discussing subjects ranging from arms trafficking to secret European societies such as the Italian Illuminati.

Casolaro first contacted Booth Nichols in the summer of 1990, after Riconosciuto had mentioned Booth Nichols as someone connected to international criminal activity and espionage. According to Booth Nichols, Casolaro talked to him frequently on the phone, using him as a "sounding board" for various theories and bits of information he had been receiving from other sources.

Casolaro's telephone records reveal that he called Booth Nichols frequently, at all hours of the night, and spent long periods with him on the phone. Following are examples of some of those calls, from the last few weeks of Casolaro's life:

<u>Date</u>	<u>Time (Eastern time)</u>	<u>Length of Call</u>
June 30, 1991	2:28 p.m.	46 minutes
July 17, 1991	1:44 a.m.	150 minutes
July 19, 1991	2:07 a.m.	105 minutes
July 19, 1991	3:52 a.m.	5 minutes
July 19, 1991	4:26 a.m.	17 minutes
July 24, 1991	4:31 a.m.	15 minutes
August 6, 1991	1:40 a.m.	64 minutes

Booth Nichols also visited Casolaro in Washington, D.C. during the early summer of 1991. Casolaro picked Booth Nichols up at Dulles airport, and later took a friend to meet Booth Nichols for dinner at Clyde's restaurant in Tyson's Corner,

Virginia. Casolaro introduced Booth Nichols to Wendy Weaver, Casolaro's girlfriend, the next day. Casolaro and Ms. Weaver spent most of the day with Booth Nichols, and ate together at a restaurant/bar. Contrary to some published reports, Ms. Weaver told us that Booth Nichols did not punch, grab or beat up anyone in the bar, nor did he boast of any connections with organized crime.

Casolaro also appears to have discussed with Booth Nichols the possibility that Booth Nichols might buy Casolaro's house and acreage in Fairfax County. Casolaro had hired a real estate broker to market his property, and noted on the back of the listing agreement (dated June 10, 1991, with the listing to expire on August 15, 1991) that the commission owed to the broker would be discounted if Booth Nichols bought the house.

Casolaro talked to a lot of his friends about Booth Nichols, describing him as a mysterious figure with connections to Japanese organized crime, the intelligence community, and international arms dealers. Casolaro told several friends that he had heard from other sources that Booth Nichols was dangerous, and that he had been involved in several murders. Casolaro spoke to other sources about Booth Nichols, including law enforcement sources, who unfortunately shared with Casolaro information they had heard about Booth Nichols (but which had never formed the basis for any criminal prosecution).

An article in the January 1993 issue of the now-defunct Spy Magazine suggests that Booth Nichols might have had Casolaro

killed because he feared Casolaro was about to expose him as someone who had years earlier offered to become an FBI informant against the mafia. We found no credible evidence supporting any of those assertions.

Notably, the Spy Magazine theory conflicts with theories offered by others about Casolaro's death. The Hamiltons, for example, released on February 14, 1994 an "Addendum" to their earlier "Analysis and Rebuttal" of Judge Bua's report. The Hamiltons now claim that Casolaro was murdered on the orders of the Justice Department's Nazi war crimes unit, the Office of Special Investigations (OSI). According to the Hamiltons, OSI is actually a front for a secret, covert Justice Department intelligence organization. According to the Hamiltons, Videnieks is an agent working for this organization, and he was involved in murdering Casolaro or arranging for his murder, because Casolaro was about to expose OSI's involvement in the Justice Department's supposed theft and worldwide dissemination of the Promis software. We found no evidence supporting the Hamiltons' new theory. In any event, under the Hamiltons' theory, Booth Nichols had no involvement in Casolaro's death.

Booth Nichols is, as best we can discern, a self-styled "international businessman." Various reports have Nichols engaging in all sorts of shady schemes over the years, but he has not been formally accused of any wrongdoing. (The FBI investigated him in the late 1960's in Hawaii for draft evasion, but he was never charged.) Booth Nichols has filed a harassment-

type lawsuit against an FBI agent. See Meridian International Logistics, Inc. v. United States, 939 F.2d 740 (9th Cir. 1991) (remanding for determination whether agent was acting within scope of employment; litigation still pending in United States District Court, Central District of California). Booth Nichols has also filed a false arrest lawsuit against the Los Angeles Police Department.

Booth Nichols' lawsuit against the Los Angeles Police Department went to trial twice. The first trial ended in a mistrial. The second trial ended in a jury verdict against Booth Nichols and in favor of the police. Booth Nichols testified in both trials. In his testimony during the first trial, Booth Nichols stated under oath that he had been a member of the United States intelligence community for many years. (Booth Nichols v. City of Los Angeles, No. NCC 31322B, Trial Transcript, Mar. 11, 1993, 32 et seq.) No evidence supports that claim. In fact, in 1972 Booth Nichols applied to the CIA for a job but was not successful.

Booth Nichols also testified that he had once "been instructed" to make a bid to purchase the assets of the Summa Corporation in the late 1970s, following Howard Hughes' death. (Id. 141-51). The documents connected to that incident, however, reflect that Summa summarily rejected Booth Nichols' overtures.

Booth Nichols was in London when Casolaro died. We found no evidence suggesting he had anything to do with Casolaro's death.

4. Major Joseph Cuellar

Casolaro also met various sources on his own, sometimes by accident. One such source was an Army Reserve Major named Joseph Cuellar, who is attached to the United States Southern Command. Casolaro met Cuellar by chance at "The Sign of the Whale," an Arlington, Virginia restaurant/bar. Cuellar had gone to the bar one afternoon in May 1991, expecting to meet some friends who were going to celebrate his return from Operation Desert Storm.

Casolaro, who was already seated at the bar waiting for his friend Lynn Knowles, struck up a conversation with Cuellar. Cuellar talked of his exploits in the Army special forces, and Casolaro became fascinated. After Ms. Knowles arrived, she listened as Casolaro and Cuellar discussed Cuellar's knowledge of military issues. When Cuellar's friends arrived, Casolaro made arrangements to see Cuellar again.

Casolaro and Cuellar talked on the phone several times after they first met. They also saw each other two additional times. In addition, Cuellar started dating Ms. Knowles.

During one of his conversations with Cuellar, Casolaro asked about various individuals involved in the "Octopus" story. The only person Cuellar knew was Peter Videnieks. This intrigued Casolaro. Cuellar explained that he knew Videnieks because Cuellar's former fiance had worked with Videnieks' wife in the Capitol Hill office of West Virginia Senator Robert Byrd. As best as we can tell, there was nothing sinister about the fact

that Cuellar knew Videnieks; it was, at most, a coincidence. Both Cuellar and Videnieks told us their relationship was social, they had double-dated with their significant others a number of times, and they saw less of each other after Cuellar broke up with his fiance.

Once he learned of Cuellar's relationship with Videnieks, Casolaro asked Cuellar repeatedly to arrange a meeting with Videnieks. Casolaro wanted to interview Videnieks about the "threat" allegations contained in Riconosciuto's March 1991 affidavit. Cuellar called Videnieks on Casolaro's behalf to try to arrange a meeting, but Videnieks refused.

Casolaro's notes reflect that he himself spoke with Videnieks by telephone on June 13, 1991, but that Videnieks refused to talk, referring Casolaro instead to his lawyer, Charles Ruff. Videnieks recalls receiving a phone call from a reporter whose name sounded like "Kessler," but told us it could have been "Casolaro." Videnieks said he has received hundreds of calls from reporters and others about Inslaw and Riconosciuto, and he cannot remember specifically whether he had ever spoken with Casolaro.

Cuellar recalled that Casolaro confided in him near the end of his life, expressing frustration that he had become so wrapped up in the "Octopus" story, that he had lost his perspective and was unable to arrange the material into a cohesive story. Casolaro also confided in Cuellar that he was in financial distress, and that he was close to losing his house. (Casolaro

was able to obtain a thirty-day extension for his balloon payment deadline, but that offered little relief given his lack of any prospects for success with the "Octopus" project.)

After Casolaro died, Cuellar stopped dating Ms. Knowles. Ms. Knowles told us that at one point, as their relationship was deteriorating, Cuellar made a veiled threat to her, stating that she was asking too many questions about Casolaro, that she had two children, and that she would not be doing them a favor if she were to wind up like Casolaro or like another journalist who had been killed in Guatemala. Cuellar denies making those statements to her.

Several people have suggested that Cuellar was somehow involved in Casolaro's death. We found no evidence supporting that hypothesis. On the day Casolaro died, August 10, 1991, Cuellar was in Washington, D.C., working on his "outprocessing" from Desert Storm, and his "in-processing" into the Southern Command. Several witnesses can verify that Cuellar was in Washington on August 10, 1991.

5. William Turner

Another source who Casolaro learned of through the Hamiltons was William Turner. Turner had been an employee of the Hughes Aircraft Corporation, [REDACTED]

36 CFR 1256.56 - Personal Privacy
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Turner

[REDACTED] was not a "whistleblower," as some have described him. Casolaro spoke with Turner on the phone, although much less frequently than with his other sources.

Turner lived in Winchester, Virginia, about 30 miles south of Martinsburg. There is no evidence, however, that Casolaro ever met Turner in person. Turner claims he met with Casolaro in the parking lot of Casolaro's hotel on Friday, August 9, 1991, the afternoon before Casolaro died. Turner has wavered about the exact time of the meeting, placing it anywhere between noon and 6:00 p.m. No one witnessed the meeting. Turner has claimed that Casolaro gave him some documents, although he has been wildly inconsistent about the amount of documents and how they were packaged. For example, Turner told local authorities after Casolaro's death that Casolaro had given him a "stack" of documents approximately one and one-half feet high, and that Casolaro asked him to keep the documents in Turner's home safe. However, Turner told us that Casolaro had previously given him three sealed manila envelopes containing documents, and that during their supposed meeting in the parking lot Turner brought two of the packets to Casolaro, but kept the third packet in his home safe.

On September 13, 1991, five weeks after Casolaro's death, Turner pleaded guilty in the United States District Court for the Eastern District of Virginia to one felony count of making a false statement in 1988 to the Veterans Administration. He was sentenced to sixty days in jail, followed by five years' probation.

On September 26, 1991, local authorities in Winchester conducted a search of Turner's home, as he was a suspect in a

bank robbery. Turner's safe was searched, but no documents were found except for Turner's passport and some gold coins. There were no Casolaro items anywhere in Turner's house. The police seized the tape from Turner's answering machine. The tape covers several weeks stretching back to August, 1991, although it is impossible to know the exact date of the first recording. In any event, none of the calls were from Casolaro. Most of the calls were from collection agencies.

Turner eventually moved to Knoxville, Tennessee, where he continued his status as a convicted felon on federal probation. On December 30, 1993, the Bureau of Alcohol, Tobacco and Firearms searched Turner's home pursuant to a warrant. They found 23 firearms inside, including several rifles and shotguns. Several of the firearms had no serial numbers. Turner is now facing probation revocation proceedings in Knoxville.

6. Charles Hayes

Another source with whom Casolaro spoke less frequently was Charles Hayes, a scrap dealer and ex-felon who lives in Nancy, Kentucky. Hayes had been prosecuted in 1970 by the United States Attorney's office in Lexington, Kentucky for firearms violations. Hayes pleaded guilty in that case on the morning of trial, and received a suspended sentence.

In 1990, the General Services Administration offered for sale certain outmoded word processing equipment from various government offices, including the United States Attorney's office in Lexington, Kentucky. The Lexington office hired a contractor

to erase the computers before they were sold. Hayes, who was in the scrap business, was the highest bidder for the computers, and he took possession of them on August 3, 1990. Several days later, the contractor informed the United States Attorney's office that the process used to erase the computers might not have been successful. The government then sued Hayes, and obtained an order permitting it to seize the computers.

Hayes' dispute with the United States Attorney's office in Lexington was reported in the press, and the Hamiltons contacted him. Casolaro learned of Hayes through the Hamiltons, and contacted him a number of times by telephone.

After Casolaro's death, the Hamiltons provided Hayes' name and telephone number to the Martinsburg police. The police called Hayes. He told them that Peter Videnieks and Earl Bryan had gone to the Sheraton in Martinsburg around the time of Casolaro's death, to play in a "high-stakes poker game, requiring \$10,000 minimum to sit at the table." The police found it hard to believe that gambling of that magnitude could have been going on anywhere in Martinsburg without their knowledge. They checked the story anyhow, and found no evidence of any "high-stakes poker games" at the Sheraton or anywhere else in Martinsburg.

C. Efforts to Obtain a Book Contract

By the summer of 1990 Casolaro was seeking a literary agent to help him sell the "Octopus" story to a publisher. Casolaro asked his cousin, New York City psychologist and part-time author Dr. Louis Petrillo, to help him find an agent. In September, 1990, Dr. Petrillo arranged for Casolaro to meet Herb Karlitz, a New York City agent. Karlitz agreed to represent Casolaro in attempting to negotiate a book deal, including an advance that Casolaro could use to pay his bills and finance a worldwide research trip.

On November 2, 1990 Casolaro sent a letter to Karlitz, enclosing copies of various songs and poems he had written. Casolaro mentioned in the letter that he was now working on his investigation "exclusively," but that he was also looking for a paying job while waiting for an advance. Casolaro enclosed a resume that significantly overstated his prior professional accomplishments. He also enclosed a six-page treatment for the book he was hoping to publish, which he entitled, "Behold, A Pale Horse: A True Crime Narrative."

In the treatment, Casolaro wrote about the Cabazon Indian reservation in Southern California and its alleged connection to international arms dealing; the development of the fuel air explosive, the assassination of "super gun" inventor Gerald Bull;

and the suicide bombing of the U.S. Marine barracks in Lebanon.

Casolaro described his project as follows:

"An international cabal whose freelance services cover parochial political intrigue, espionage, sophisticated weapon technologies that include biotoxins, drug trafficking, money laundering and murder-for-hire has emerged from an isolated desert Indian reservation just north of Mexicali. . . . I propose a series of articles and a book, a true crime narrative, that unravels this web of thugs and thieves who roam the earth with their weapons and their murders, trading dope and dirty money for the secrets of the temple."

On the last page of the treatment, Casolaro proposed that "[t]he first three chapters of the manuscript should be finished within three months of an initial advance and each subsequent chapter will be delivered every month. The completed book should be ready for publication by the summer of 1991."

Karlitz began searching for a more experienced literary agent who could put together a combined book and television deal for Casolaro. Karlitz also asked Casolaro to sign a one-year "exclusive" representation agreement, under which Karlitz would receive a 20% gross commission, plus an additional 10% gross commission to any third parties, for any sales of "'Behold, A Pale Horse,' including without limitation phonograph recordings, video, television, motion pictures, radio, music publishing, songwriting, live performances, books, merchandising, lecture(s), seminar(s). . . ." The agreement was signed on March 14, 1991.

On December 10, 1990, Karlitz contacted Creative Artists' Agency (CAA), a major Hollywood talent agency, to see whether they would be interested in meeting Casolaro. Six days later CAA agent Melanie Ray flew to New York and met with Casolaro,

Petrillo and Karlitz for brunch. Casolaro had two drinks before Ms. Ray arrived, and did not make a good impression on her. During the meeting, Casolaro said the "Octopus" project was his "shot at a piece of investigative journalism to put me on the map," and that he wanted to do something "to make my son proud of me." Ms. Ray said that CAA was not interested, but she offered to help find another literary agent for Casolaro.

Several days later Ms. Ray wrote to Karlitz, indicating that she had found another literary agent, Elizabeth Mackey, who was willing to read the "Pale Horse" treatment. In her letter to Karlitz, Ms. Ray also referred to Casolaro's behavior at the New York brunch in unflattering terms: "To expect 'cloak-and-dagger' and to get slapstick was quite scintillating."

During the next six months, according to Ms. Ray's records, Casolaro and Karlitz contacted both Ms. Ray and Ms. Mackey dozens of times to check the status of efforts to find a publisher and obtain an advance for Casolaro.

On April 20, 1991, after returning from his trip to see Riconosciuto, Casolaro wrote a letter to Karlitz. Casolaro enclosed another treatment, this time entitled "Update on the Pursuit of the Tape and the Jailing of Danger Man." In this treatment, Casolaro described his trip to Washington state, and how he had spent hours searching for the Videnieks-Riconosciuto "threat" tape. In his cover letter to Karlitz, Casolaro sounded in despair: "I must explain how much deeper in debt I am. Every month that goes by without income puts another \$4,500 or so on my

liability just keeping my family and self alive. On top of that, my mortgage which is now up to \$300,000 is scheduled for final payment in September 1991."

On May 31, 1991, Ms. Mackey called Ms. Ray, and told her she had decided not to represent Casolaro. Ms. Ray notified Karlitz of Ms. Mackey's decision. Several days later, Ms. Mackey telephoned Ms. Ray to see whether Ms. Ray could ask Karlitz to "keep Casolaro from calling her and pleading his case for representation now that she has turned him down." On June 6, 1991, Ms. Mackey wrote a letter to Casolaro, informing him that her agency would not represent him. Casolaro contacted Ms. Mackey again in July, and on July 31, 1991, Ms. Mackey sent another letter to Casolaro, rejecting him yet again.

Despite these failures, Karlitz tried to keep Casolaro's spirits up, writing to him on June 6, 1991 that "CAA has the best contacts for a book deal. And, they definitely have the clout to turn your work into a movie or TV production. . . . IT WILL HAPPEN."

In addition to the efforts to find a publisher through Ms. Ray and Ms. Mackey, Karlitz and Casolaro also contacted Time Warner, and its subsidiary, Little, Brown & Co. On December 17, 1990, Karlitz, Petrillo and Casolaro met with Kelso Sutton of Time Warner and Roger Donald of Little, Brown. Mr. Donald looked at Casolaro's materials, and said "no." Mr. Donald suggested that Time Warner's magazine division might be interested, but that Casolaro would have to work with a Time Magazine staff

writer to develop the story. Casolaro refused. He wanted to do the project as a book, and he wanted to do it by himself.

Casolaro called Mr. Donald again approximately three weeks before his death. Casolaro asked Mr. Donald to review some "new material." Casolaro faxed the material to Mr. Donald, who reviewed it and was not impressed. Casolaro contacted Mr. Donald again several days before his death, and Mr. Donald again told him that Time Warner and Little, Brown were not interested in publishing Casolaro's "Octopus" project, or in paying Casolaro an advance.

Casolaro never had any chance of finding a publisher for his work. Mr. Donald, for example, told the Martinsburg police, when they contacted him after Casolaro's death, that Casolaro's work was "amateur," and that it reflected simply a rehash of material commonly available in newspaper and magazine articles. Ms. Ray and Ms. Mackey likewise were unimpressed with Casolaro's work. Casolaro grew quite frustrated with his inability to secure a publisher or obtain an advance.

IV. Casolaro's Final Days

A. Casolaro's State of Mind During 1991

In early 1991 some of Casolaro's friends noticed that he had become "obsessed" and "all consumed" with the "Octopus" story. Casolaro's two closest friends, Wendy Weaver and Ann Klenk, both report that he was completely immersed in the story. They both told us that Casolaro slept and ate very little during

the final months of his life.

Jim Pittaway, who had known Casolaro for several years, told us that beginning in February 1991, Casolaro slipped into a "fantasy land" of conspiracy and intrigue, fed by the "pathological liars" who had been giving him information, and that Casolaro's obsession with the story worsened as the months progressed. Other friends say that Casolaro was "losing his grip" on reality. He slept and ate little.

Casolaro frequently spoke with various friends and acquaintances about his work, seeking their input about his theories and bouncing ideas off them. Ann Klenk says his voice seemed constantly hoarse. Dr. Petrillo and Ann Klenk both told us that Casolaro was absorbing huge amounts of information; so much so that he was having trouble organizing it in his mind. Casolaro told Ann Klenk that he was becoming frustrated at his inability to organize his thoughts and reduce his ideas to writing. Wendy Weaver and Ann Klenk report that he was "disappointed" and "hurt" at his failure to secure a publisher or obtain an advance. Ann Klenk, herself a professional journalist, suggested to Casolaro that he try to break the project into smaller, more manageable bits, and to try publishing it piecemeal, perhaps as a series of newspaper or magazine articles rather than as a book.

Not all of Casolaro's friends considered him to have been depressed or emotionally upset. Ben Mason and Wendy Weaver, for example, report that Casolaro appeared enthusiastic about the

"Octopus" project, and insist that he continued to be generally upbeat and happy. Casolaro's family members also discount reports that he was distressed by his financial obligations, noting that his family had always helped him financially, and that he knew he could rely on his family's financial support as a "safety net." However, the vast majority of Casolaro's closest acquaintances viewed him as depressed and despondent during the final months of his life.

Casolaro's behavior during the final weeks of his life grew increasingly erratic. For example, he told many people that he had been receiving death threats over the phone. Casolaro's neighbor, Olga Mokros, told us that she was in Casolaro's house on the Monday before Casolaro died, that she answered the phone, and that the caller uttered a death threat. She could not recall any other specific occasions on which Casolaro received such a call, even though she was at his house nearly every day. Her husband George, who also frequently visited Casolaro's house, could not recall ever receiving a threatening call. When Jim Pittaway suggested that Casolaro contact the phone company so the calls could be traced, Casolaro quickly changed the subject.

Casolaro also told many people that he was working on a "dangerous" story, and that he had sent his younger brother John away from his house because of the danger. Casolaro told his brother Tony that "if I die, don't believe it was an accident." At the same time, however, Casolaro exposed all his friends to the same "danger" by sharing the details of the "Octopus" story

with anyone who would listen.

Casolaro also made exaggerated claims about the status of his efforts to secure a publisher, particularly during the last days of his life. He told several people, including an FBI agent in Los Angeles whom he had called to talk about Booth Nichols, that he had made a "book deal" with a publisher, when in fact Casolaro never had any such deal.

Casolaro seemed to fantasize about what he would do when his hoped-for advance arrived, and at one point drew up a lengthy guest list for a "roast pig summer party" he would throw, "when advance comes." Jim Pittaway told us that Casolaro "became less connected with real life, and more and more engaged in weird stuff and living in a fantasy world, so that he was losing his grip and becoming quite depressed."

Several of Casolaro's closest friends told us they now believe, with the benefit of hindsight, that Casolaro invented the threatening phone calls and the other "dangers" involved in his work so that people would believe, after he committed suicide, that he might have been murdered. Jim Pittaway told us that he thinks Casolaro committed suicide, and that he "shrouded his death in mystery" so that his conspiracy theories would outlive him. Lillian Pittaway, Jim Pittaway's wife, described Casolaro as self-destructive. Zoe Gabrielle Milroy, a close friend of Casolaro's for fourteen years, believes that Casolaro "perpetrated this conspiracy theory" to make his death seem mysterious, to ease the pain his family would suffer from an

outright suicide. Pete Kennedy, a guitarist and friend of Casolaro's shares Ms. Milroy's view that Casolaro wanted everyone to think he was in danger, so that his death would appear mysterious. Ms. Milroy also discounts the views of those who say Casolaro was not depressed, noting that he was a "consummate actor" who could be "laughing on the outside, but very hurting on the inside." Ann Weinfield, a longtime friend and nurse, told us that Casolaro "seemed unable to carry on a lucid conversation."

B. The "Octopus" Treatment

On July 22, 1991, Casolaro faxed to Karlitz his final treatment, along with a cover letter. The 3-1/2 page treatment is entitled "The Octopus." Casolaro attached to the treatment a two-page list of 51 individuals and groups comprising a "Cast of Characters." The treatment surveys various scandals and other international events of the late 20th century. Casolaro typed the treatment on a manual typewriter (he did not own or use a computer) in the basement office of his house, just as he had done with the November 1990 "Behold, A Pale Horse" and the April 1991 "Dangerman" treatments. The cover letter to the New York agent reflects Casolaro's increasingly desperate financial condition:

Dear Herb:

I have purposefully left out some names in the CAST OF CHARACTERS for two separate reasons. I will tell you those names and the reasons when we talk.

This is my final week for these marathon hours over the last 12 months. Encountering this odyssey, meeting it with my whole life, is to grapple with something personal since I've risked everything. By Friday, I

X

have to come up with about \$5000 just to cover my mortgage payment and my real estate taxes and in September I'll be looking into the face of an oncoming train. Father, what will I do?

Still, I feel the happiness that an eskimo must feel when he comes across fresh bear tracks when he's ahead of all the other sledges. It's just the way it has happened.

C. Drinking Problems

~~Casolaro's friends all acknowledge that he was a "social drinker," which, according to Wendy Weaver, meant he would get drunk "only" two to three times per week. Although some of his friends, such as Wendy Weaver and Lillian Pittaway, noticed that he seemed to be drinking more heavily, Casolaro's family and friends to this day insist -- almost uniformly -- that he was not a "heavy" drinker, and that he certainly was not an alcoholic.~~

~~We discovered evidence to the contrary. Casolaro's neighbors, Olga and George Mokros, showed us a 1986 appointment book that Casolaro had thrown in the trash sometime during 1991. George noticed that the book appeared unused, and asked Casolaro if he could keep it for scratch paper. The appointment book is almost entirely blank, except for a few pages containing Casolaro's handwriting. On one of those pages Casolaro wrote the following (we were unable to determine when Casolaro actually made these entries):~~

~~"The real cause of alcoholism is the complete baffling sterility of existence as if sold to you. There is no solution in this contemporary world of bogus solutions. Ultimately, there is this great sin of pride in me. Adventure is the key to civilization. The highest achievement of man is a program for discontent. The~~

terms of the adventure may be summed up in Faust's wager with the devil: 'If ever time should flow so calmly on, soothing my spirits in such oblivion, that in the pleasant trance I would arrest, and hail the happy moment in its course, bidding it linger with me, then willingly do I perish.'"

On another page in the appointment book, Casolaro wrote these words:

"I drank too much last night so part of the day was wasted on me. I wonder if the root of my drinking is loneliness -- for true companionship. Still, I think my drinking is only incidental to a more real and pressing tragedy. I have been shattered -- personally -- and impersonally. . . . I know I can provide a representative expression of a breakdown which affects other people on levels [sic] which they may be scarcely conscious. Drunk but collected, coherent, a little impatient, I have drunk myself sober. I refuse to be a hero. My deepest truth is my isolation. I reject love to protect it. 'No se puede vivir sin amor.' There is no excuse for not loving."

D. Physical Problems and Casolaro's Concerns About Multiple Sclerosis

During June and July 1991 some of Casolaro's friends noticed that he seemed to be having certain physical problems. Ann Klenk noted that Casolaro experienced some sort of motor difficulty with his right hand, and had trouble opening a window in her house. On another occasion Casolaro, who was in apparently good physical shape, had trouble finishing a friendly volleyball game. On another occasion he was too exhausted to help his friend Bill Webster paint his house. Casolaro also complained on separate occasions to both Wendy Weaver and Ann Klenk about vision trouble. He began borrowing Wendy Weaver's eyeglasses for reading, and reduced his night driving. Wendy observed that Casolaro also seemed to have weakness in his limbs,

and that he could not perform various simple tasks around the house.

The autopsy conducted after Casolaro's death revealed that he had been suffering from multiple sclerosis. The disease had not been diagnosed before Casolaro died; indeed, Casolaro's last visit to a doctor was about 18 months before he died, when he needed emergency treatment after accidentally dropping a barbell on his head. While there is no direct evidence that Casolaro knew he had the disease, he did approach a Ann Weinfield, a long-time friend and nurse several months before he died, and asked her about "research" he was conducting into "slow acting viruses," including multiple sclerosis. Casolaro specifically asked Mrs. Weinfield about the symptoms and consequences of contracting multiple sclerosis. The fact that Casolaro asked her about the disease, combined with the multiple physical manifestations witnessed by several of his closest friends, suggests strongly he was worried he might have had multiple sclerosis.

E. Possible Pre-Suicidal Behavior

Beginning in the Spring of 1991, Casolaro made several references to ending his own life. He confided to Ann Klenk several weeks before he died that he was "having trouble thinking." He told Ms. Klenk, with a tinge of sarcasm, that "if I ever couldn't think I'd kill myself."

Several days before his death he showed Zoe Gabrielle Milroy a letter that he had written to Trey, in which he imparted what

appeared to be "heavy" fatherly advice. Ms. Milroy confronted Casolaro directly about whether the letter was a suicide note, and Casolaro quickly changed the subject.

Three or four days before his death, Casolaro's neighbor, Olga Mokros, came to his house. She worked as a housekeeper for Casolaro, and usually worked at his house every day. Olga helped Casolaro pack a suitcase, as he told her he was going on a trip. Olga asked if she should prepare the house for Trey, who was expected on a visit from Colorado in two weeks. Casolaro told Olga that he "would not see Trey" anymore. He then took Olga into his basement office, and showed her where he kept his will.

In addition to his statements indicating a possibly suicidal mentality, Casolaro also exhibited certain other behavior that may have been suicidal. For example, in approximately May 1991, Casolaro was housesitting for his friend Bill Webster. At 5:00 in the morning, Casolaro called Ann Klenk, and told her he had hurt himself. He said he had "spent the night on the roof" of Webster's house, and he had fallen off the roof and hurt his leg. Several days later, however, Webster called Ann Klenk, and told her he had found a broken ceramic object and some bloody towels in his basement.

During Casolaro's autopsy the medical examiner found a long, "old," or healed, scar on the inside of Casolaro's right leg. The medical examiner told us that if Casolaro had cut himself in May the scar would have healed, and thus would have been described for pathological purposes as "old," by August. The

medical examiner noted that the scar was close to the femoral canal and femoral vein in the leg, and that if the vein had been severed, death would have resulted quickly. The medical examiner told us the scar could have been self-inflicted, given the angle of the cut.

Ann Klenk also reports that in approximately October 1990, Casolaro had a mysterious auto accident, in which his car went off the side of the highway. Casolaro told Ann Klenk and Wendy Weaver that he thought he had been forced off the road, but he did not want to report the incident to the police or to seek medical treatment. We were unable to learn enough about this incident to determine whether it was a legitimate accident, a staged suicide attempt, or a homicide attempt. Given the other information we have learned about Casolaro, however, we seriously doubt the latter possibility.

F. The Final Week

Casolaro's last few days provide a sad portrait of a person on the road to suicide. Following is a reconstruction of the final week of Casolaro's life.

Monday, August 5, 1991

On Monday, August 5, Casolaro saw his brother Tony during the day. Tony told Casolaro he looked tired. Later that day, Ann Klenk saw Casolaro's car parked outside a bar at a local shopping center. Ms. Klenk went inside, and saw Casolaro, head slumped down, sitting at the bar. Casolaro "looked terrible." Casolaro looked at Ms. Klenk and said, in a tone of disgust, "I

just broke Inslaw. Bill Hamilton's going to be real excited." Casolaro then told Ms. Klenk, "you can have the story, and if you don't want it, you can give it to Jack Anderson." (Ms. Klenk had once worked as a reporter for syndicated columnist Jack Anderson). Casolaro told Ms. Klenk he had "just gotten back" from West Virginia, and he was going back again.

Ms. Klenk was worried about Casolaro. She ordered a pizza for him, begged him to eat something, and left.

Tuesday, August 6, 1991

On Tuesday, August 6, Casolaro spoke to Ms. Klenk, and discussed the "Octopus" treatment he had sent to Karlitz two weeks earlier. Casolaro also had two phone calls that day with John Elvin, a journalist friend in Annapolis. Casolaro asked Elvin during those two calls to review the "stuff" Casolaro had sent him. Casolaro mentioned he was going to West Virginia, and said he would call Elvin when he returned.

Casolaro also called Jim Pittaway that day, and said he was going to West Virginia to meet someone, but he did not know that person's identity. This was also the day that Casolaro showed his will to his neighbor Olga Mokros, and remarked to her that he "would not see Trey again." That evening Casolaro had dinner at the home of Larry Stitch, a former IBM attorney he had known for several years. Stitch told us Casolaro did not seem depressed, but also said Casolaro was very good at concealing his true feelings. Casolaro told Stitch he was going to meet with "somebody" regarding his book project.

After returning home, Casolaro called Robert Booth Nichols at his home in Los Angeles, speaking to him from 1:40 a.m. until 2:46 a.m. eastern time. Booth Nichols recalls this phone call. He remembers Casolaro mentioning he was planning a trip to the Cabazon Indian Reservation in southern California, where he would "wrap up" his research. According to Booth Nichols, Casolaro sounded "confident," not depressed.

Wednesday, August 7, 1991

On Wednesday, August 7, Ben Mason, a close friend and drinking buddy, came to Casolaro's house to visit. Mason reports Casolaro was in an "exuberant" mood that day. Casolaro showed Mason some papers in his basement office. Casolaro said the papers were in a specific order, and not to mix them. Mason recalls seeing a photocopy of a passport photo of a young man named "Ibrahim."

While Mason was still there, Casolaro received a call from Ann Weinfield and her husband. They were leaving Washington to spend a few days at their beach house, and they customarily called Casolaro to say goodbye whenever they left town. Both Mrs. Weinfield and her husband spoke with Casolaro. They both "distinctly recall" that during the conversation Mrs. Weinfield told her husband something was "definitely wrong" with Casolaro. Mrs. Weinfield told us Casolaro rambled incoherently, and seemed to have lost touch with reality.

Casolaro also spoke with his cousin, Dr. Petrillo, that day. In a letter written ten days later (August 17, 1991), Dr.

Petrillo indicated Casolaro had sounded "enthusiastic" on the phone, saying he was "looking forward to meeting with a 'source.'" Dr. Petrillo noted he had spoken frequently with Casolaro during the months before his death, and, in his judgment, Casolaro had not manifested "any symptoms or character traits . . . that could, in any way be associated with a potential for suicide."

We spoke with Dr. Petrillo more recently. He recalled his August 7, 1991 telephone call with Casolaro. Casolaro did not tell him during that phone call he was going to West Virginia, nor did he identify the source he was going to meet. With the benefit of hindsight, Dr. Petrillo now believes that Casolaro could very well have committed suicide. He told us he was prepared to change the conclusions expressed in his August 17, 1991 letter based on what he now knew about the physical evidence and other circumstances surrounding Casolaro's death.

Casolaro and Mason went out for the evening. Casolaro met a woman while they were at a hotel bar. At 2:00 a.m., after taking Mason home, Casolaro returned to the hotel and called the woman he had just met from the lobby phone to see if she would invite him to her room. She rejected Casolaro, and he returned home.

Thursday, August 8, 1991

At 6:00 a.m., Casolaro called Ben Mason, who he had dropped off four hours earlier, and told him of his failed attempt to rejoin the woman at the hotel. Casolaro laughed off the

incident, and told Mason he was going to West Virginia "to see the guys."

At about 10:00 a.m., Casolaro went to the office of his insurance agent, J.J. Kelly, Jr. Casolaro paid the premium for his homeowner's insurance to the Nationwide Mutual Fire Insurance Company. While he was at his agent's office, Casolaro called Danielle Stallings, his friend and real estate agent. Ms. Stallings recalls Casolaro mentioned he wanted her to arrange a meeting the following week with an acquaintance of hers whose mother-in-law was knowledgeable about the Phillipines. As he was leaving Mr. Kelly's office, Casolaro asked Mrs. Kelly for directions to Interstate 66-West, a common route from Northern Virginia to West Virginia.

Casolaro then drove to Martinsburg, West Virginia, and checked into the Sheraton Inn just off Interstate 81. The desk clerk, James Lopez, recalled that Casolaro had checked in between 1:00 and 2:00 p.m. Casolaro had a reservation, and gave Lopez a credit card. Lopez gave Casolaro one key to Room 517. Casolaro told Lopez he was not going to open the room right away because he was late for an appointment at the Stone Crab Inn, a restaurant/bar not far from the Sheraton. Lopez thought Casolaro had an old, "beat up" brief case with him, but was not sure.

The bartender working at the Stone Crab Inn that day, Tom Haches, recalls that Casolaro arrived at about 12:30 p.m. (Although this is inconsistent with Lopez's recollection that Casolaro checked into the hotel between 1:00 and 2:00, and then

went to the Stone Crab Inn, we find the discrepancy insignificant.) Haches, who had previously worked at the Sheraton Inn, recognized Casolaro from a prior visit Casolaro had made to Martinsburg about a year earlier. Casolaro told Haches he was going to be meeting with "some Arabs" at about 1:00 p.m. No one arrived. At about 1:20 p.m. Casolaro asked Haches for four quarters. Casolaro went outside and returned a few minutes later. There are both cigarette machines and a public phone outside the Stone Crab Inn.

Casolaro had a bottle of wine and a draft beer that afternoon at the Stone Crab Inn. Casolaro talked with another man at the bar about a vineyard the man owned. Casolaro charged twenty dollars' worth of drinks and tabs on his Mastercard while at the Stone Crab Inn that afternoon.

Casolaro left the Stone Crab Inn at about 3:30, telling Haches he wanted to go back to his hotel to check for messages, and that he might be back later for the happy hour. However, Casolaro apparently went directly to a Pizza Hut restaurant located near the Sheraton, because the waitress working there, a college student named Laura Miller, positively identified him as having arrived at about 3:30. Miller said that Casolaro ordered a pitcher of beer and a small pizza. Casolaro drank the entire pitcher of beer but ate only one or two pieces of the pizza. Casolaro left the Pizza Hut at about 4:00.

Casolaro was next seen at Heatherfield's lounge, located inside the Sheraton Inn. At this point there is a discrepancy.

The bartender, a woman named Lynn Hitrick, who had previously served Casolaro on his prior visits to Martinsburg, recalled that Casolaro walked into the bar between 5:30 and 6:00. Hitrick recalled that Casolaro drank beer by himself until about 6:30, when another hotel guest, Michael Looney, a 3-M employee from St. Paul, Minnesota, who was staying in Room 519, sat down at the bar and began talking to Casolaro. Hitrick remembered that Casolaro started drinking bottled beer, but then switched later to draft beer after learning it was cheaper. Casolaro talked to Looney until about 11:30, when the bar closed. Hitrick did not see Casolaro talking with anyone else that night.

However, the barmaid, Kim Waters, told a different story. The police originally met her by chance, when they went to the home of one of the Sheraton desk clerks to interview him three days after Casolaro's death. She happened to be at the desk clerk's home. The police showed her Casolaro's photograph. She said she remembered seeing him in the bar, but could not remember anything else. Later that day she recontacted the police, saying she now remembered Casolaro had arrived at the bar at about 5:10 p.m., and he sat at a table with another man whom she described as "dark skinned, like maybe Iranian or Arabian." Ms. Waters recalled both men were drinking draft beer, and the "Iranian or Arabian" man was drinking very fast, and was very insistent that she serve him quickly. Ms. Waters said she served four beers each to Casolaro and the other man. She said the other man paid for all the beers in cash.

Three days later, Ms. Waters helped the police prepare a composite drawing of the "Iranian or Arabian" person. On September 16, 1991, the police interviewed Ms. Waters again. She still stood by her story, but her recollection seemed hazy and uncertain.

No one has been able to determine who the "Iranian or Arabian" person was, if indeed there was such a person. Ms. Waters' recollection conflicts with Ms. Hitrick's recollection in several important respects. The most important conflicts are with Ms. Hitrick's recollections that (1) Casolaro came into the bar alone; (2) he sat at the bar, not at a table; (3) he started drinking bottled beer, not draft beer; and (4) he spoke with only one person the entire evening.

Ms. Hitrick's recollection is corroborated by Casolaro's bar tab, which shows that beginning at 6:00 p.m. Casolaro purchased one bottled beer, then another bottled beer, and then switched to draft beer (altogether Casolaro purchased seven beers that evening).

Ms. Hitrick's recollection is also corroborated by Looney's recollection. Looney recalled meeting Casolaro for the first time near the ice machine down the hall from their fifth floor rooms, sometime between 5:00 and 6:00 p.m. A short while later he went down to the bar, saw Casolaro drinking, and joined him. They spent the rest of the evening talking. Casolaro told him all about the "Octopus" project. Casolaro also said he was waiting to meet "some Arabs." Looney recalled that Casolaro

acted agitated when the "Arabs" failed to show.

It would have made little sense for Casolaro to tell someone he was waiting to meet some Arabs, if he supposedly had just finished a meeting with an "Iranian or Arab." Based on the discrepancies between Ms. Hitrick's and Ms. Waters' recollections, based on Ms. Hitrick's more reliable recollection, and based on Looney's corroboration of Ms. Hitrick's recollection, it appears that Ms. Waters' recollection of Casolaro meeting with an "Iranian or Arab" was mistaken.

Casolaro left the bar at around 11:30 p.m. and returned to his room. Both Ms. Hitrick and Looney recalled Casolaro was drunk when he left.

Friday, August 9, 1991

The next day, Friday, August 9, 1991, Casolaro went to the front desk at the Sheraton at about 12:00 p.m., and told the desk clerk, Mr. Lopez, he would be staying one more night. At about 1:30 p.m. a hotel maid, Barbara Bettinger, spoke with Casolaro outside his door. Casolaro asked whether the maids could clean his room right then because he had work to do. Another maid, Roxanne Willis, went inside the room and cleaned while Casolaro waited outside. Ms. Willis noticed a bottle of wine on the lamp table. It appeared to Ms. Willis that Casolaro had slept underneath the bedspread, but on top of the blanket.

Casolaro was next seen at the Stone Crab Inn at about 2:30. He drank beer until about 5:30. According to the bartender, Pamela Henry, Casolaro seemed depressed and lonely, and acted as

if he wanted to talk to someone. He bought five beers, one shrimp cocktail, and one crabcake sandwich, and paid \$23.56 (including tips) with his credit card. The bartender who worked the 6:00 p.m. to 1:00 a.m. shift at the Stone Crab Inn (Raelene Cook) did not see anyone matching Casolaro's description in the bar during her shift that night.

After leaving the Stone Crab Inn, Casolaro placed a collect call to his mother's house in Fairfax County at about 6:00 p.m. Casolaro's family had planned a birthday party for Casolaro's niece that evening. Casolaro spoke with his mother, and told her he would be late for the party, if he made it at all.

At 7:00 p.m., a group of people from Pennsylvania, who had traveled to Martinsburg for a soccer tournament that weekend, checked into Room 515 (on the other side of Casolaro's room), and into rooms 514, 516, and 520, across the hall from Casolaro's room. At about 9:00 p.m., Mary Lehnert, one of the occupants of Room 515, saw someone matching Casolaro's general description enter Room 517 with a key. She did not see the person's face, as his back was to her. He was carrying a brown paper bag.

Shortly after midnight, Casolaro walked to the Sheetz convenience store across the parking lot from the Sheraton. He asked for coffee, and the clerk, Cindy Noll, brewed a fresh pot for him. Ms. Noll gave Casolaro a medium coffee, and did not charge him because he had to wait for the pot to brew. Both Ms. Noll and another witness in the store at that time, Diane Small, report Casolaro seemed relaxed, and he made small talk with them

both. As Casolaro left they saw him walk back toward the Sheraton.

The above account of Casolaro's movements on Friday, August 9 is not complete. We have not been able to pinpoint Casolaro's whereabouts during the period between noon and 1:30, nor for the period between 6:00 and 9:00 p.m. The most likely explanation is that he was in his hotel room during those times. There have been suggestions that at some point during the afternoon on August 9 Casolaro met with William Turner, but as discussed above, there is no evidence supporting Turner's claim that such a meeting in fact occurred.

IV. Casolaro's Death

A. Discovery of the Body

The occupants of Rooms 514, 515, 516, 519 and 520 were in their rooms all night on August 9-10. No one heard any unusual noises coming from Room 517, Casolaro's room. The next morning, Saturday August 10, no one saw or heard any unusual activity around Casolaro's room. No one was seen entering or leaving Casolaro's room that morning.

Casolaro was supposed to have checked out by 12:00 p.m. At about 12:59 p.m., Sharon Palmer, the maid assigned to cleaning the fifth floor, knocked on Casolaro's door but received no answer. She used her passkey to enter Casolaro's room. She noticed the bathroom door was halfway open. She looked inside and saw blood on the floor and blood on a towel. She did not go

inside the bathroom, but left and called for help. Another maid, Linda Williams, arrived and saw the blood on the bathroom floor, but did not enter the bathroom. Ms. Williams left and returned with hotel employees Barbara Bettinger, David Avella, Sandy Bogert, and Eric Weidman. Avella called the police.

Within five minutes of Ms. Palmer's discovery of Casolaro's body, Patrolman Glenn Macher of the Martinsburg City Police Department arrived. He ordered all the hotel employees who had just been inside the room to go the hotel manager's office and wait to be interviewed by other officers. Then the patrolman went inside Casolaro's room. Within minutes, Martinsburg Police Captain Ted Anderson, Detective John McMillen, Patrolmen Shannon Armel and Terry Stanley, and the paramedics arrived.

B. The Death Scene

1. Casolaro's Body

Casolaro's nude body was in the bathtub. The water was bloody. The water temperature was cold. The tub was about half to three-fourths full. Casolaro was sitting with his feet toward the faucet. He was leaning against the side of the tub. His head slumped over the side. His right arm was hanging over the side of the tub, and his right hand was lying flat on the floor. His left hand was submerged under water, tucked beneath his left thigh. Both of Casolaro's wrists had cut wounds. The fingernails on the thumb, forefinger and middle finger of his right hand appeared to have been chewed.

A used shoelace was draped loosely around Casolaro's neck.

Another used shoelace was found inside the bathtub. Two white hefty trash bags were floating in the bathtub. A single-edge razor blade was inside the bathtub. An empty can of Milwaukee's Best beer was also inside the tub.

2. The Bathroom

The wrapper from the razor blade was resting against the side of the bathtub. Next to the bathtub, on the bathroom floor, there was a broken drinking glass and a half-full bottle of "Caves Alianca," a Portuguese white wine. There was a bloody towel on the floor next to the tub. There were bloodstains on the tile around the tub, on the bathroom floor, and on the toilet seat. Some bloody water had splattered across the small bathroom to the sink area.

There was an ashtray on top of the toilet tank. Three cigarette butts were in the ashtray, and a pack of Carlton cigarettes was on the toilet tank next to the ashtray. The bathroom was later dusted for fingerprints. Two prints removed from the bathroom sink were identified later as Casolaro's left index and left middle fingers.

There was no sign of any struggling having occurred inside the bathroom.

3. The Bedroom

The police inspected the bedroom area. They found no sign of forced entry, no sign of any struggle inside the room, and no sign that anyone else had been inside the room. The door to the adjoining room (Room 515, occupied by two of the visitors

from Pennsylvania who had come for the soccer tournament, a 72-year old woman and 70 year-old man) was locked, and the safety chain was secure. The bedspread was partially turned down, but the sheets were not turned down. There was no blood in any part of the hotel room other than the bathroom.

Casolaro's clothes were laid out on top of the bed. They were not folded neatly, but were laid out. None of the fixtures in the room had been broken or knocked over. Casolaro's personal effects were intact. His wallet and driver's license were found inside his coat pocket. There was no sign that anyone had rifled through any of Casolaro's belongings. The police described the scene as "quiet."

There was an unused ashtray inside the bedroom. It had a fingerprint on the bottom, but the police were unable to identify that fingerprint. The trash can inside the bedroom contained a "Sheetz" coffee cup. On top of it were five empty cans of Milwaukee's Best beer. The police later conducted hair and fiber analyses on various items recovered in the room, but no evidence was developed indicating that anyone other than Casolaro had been inside the room before he died.

The police found a large black tote bag in the bedroom. Inside, among other items, were an empty bottle of Vicodin pills (which the police later determined had been prescribed for relief of pain following oral surgery performed on Casolaro in 1988); one box of Hefty trash bags (with two bags missing); two green lawn-type garbage bags; one unopened bottle of "Caves Alianca"

white wine; one corkscrew; and three packs of Carlton cigarettes.

The police found, on the coffee table, a box of razor blades, with four unused single-edge blades inside. The box had room for five blades. The blades in the box matched the blade found inside the tub.

The police did not find a briefcase or any documents in the hotel room. They did find various credit card receipts, including two receipts from the Stone Crab Inn for Thursday, August 8 and Friday, August 9.

4. The Suicide Note

The police found a suicide note, written on the top page of a legal pad sitting on the coffee table, next to the box of razor blades. The note said: "To my loved ones, Please forgive me -- most especially my son -- and be understanding, God will let me in." (A copy of the note appears in the Appendix to this report). The police later determined through handwriting and ink comparisons that Casolaro wrote the note with a pen that was on the coffee table near the legal pad. Casolaro's right thumbprint was the only fingerprint found on the legal pad.

Some have argued Casolaro may have been forced to write the suicide note, and he was leaving a clue by making the note uncharacteristically brief, and/or by the reference to God "letting him in." Proponents of this theory note that as a Catholic, Casolaro would have known that suicide was a sin, so he must have used that phrase to tip his friends that he was not dying voluntarily.

In our view, there is nothing mysterious about the note, except to the extent Casolaro may have written it in the way he did as part of an effort to inject some mystery into his death. The more likely explanation is that the note reflects the tragic final thoughts of a very depressed man.

5. Casolaro's Car

The police found Casolaro's car keys, and located his car, a 1981 Honda Accord, in the Sheraton parking lot. There was no sign the car had been broken into or searched. They lifted two of Casolaro's fingerprints from the driver's side window. They also found a pack of Carlton cigarettes in the car. The car was impounded and sent to a local body shop for safekeeping.

On September 4, 1991, the car was released to Casolaro's family.

C. Interviews of Hotel Employees

While the patrol officers were examining the hotel room, Captain Anderson and Detective McMillen interviewed the hotel employees who had discovered Casolaro's body. None of the employees, including the maids, had seen anything suspicious that morning. None had seen anyone enter or leave Casolaro's room. The last employee who saw Casolaro was Ms. Bettinger, who had talked with him outside his room Friday afternoon.

D. The Coroner's Investigation

Thirty minutes after the police arrived, Berkeley County coroner Sandra Brining and her husband, Martinsburg city paramedic David Brining, entered Room 517. Mr. Brining

photographed Casolaro's body and the bathroom area. Ms. Brining examined the body. She noted eight cuts on the underside of Casolaro's left wrist, and four cuts on the underside of his right wrist. There was a bruise on the inner part of the upper left arm. There were no other visible signs of trauma to the body. "Light" rigor mortis was present in both arms. Livor mortis was present, but had not yet set, in the buttocks, neck, face, arms and legs.

During Ms. Brining's examination of the body the bloody bathtub water was drained, but Ms. Brining failed to preserve a sample. Ms. Brining classified the death as a suicide, and contacted Brown's Funeral Home to transport the body. Funeral home employees John Arvin and Robert Fields arrived at Room 517 shortly before 2:00. The bathroom door was removed to allow room for Casolaro's body to be taken out of the room. Casolaro's body was placed in an ambulance, and taken to Brown's Funeral Home in Martinsburg.

E. Handling of Death Scene Following Removal of Body

After the body was removed the police locked the room, but did not formally seal it.

On Monday morning, Detectives Catlett and McMillen returned to Room 517 to conduct a further investigation, after Casolaro's family had alerted them to Casolaro's work and the "threats" Casolaro had received. Although the police had not officially sealed the room when they left Saturday afternoon, the hotel manager, Sam Floyd, had kept the room locked for the remainder of

Saturday and all day Sunday.

Detective McMillen told us the hotel room was in exactly the same condition as it had been when he and the other officers left it Saturday. The room had not been cleaned. Nothing had been rearranged or disturbed. There was no sign anyone had been inside the room.

F. Examination and Embalming of Body at Funeral Home

Ms. Brining spent two hours examining Casolaro's body at the funeral home. Patrolman Armel arrived at Brown's at approximately 3:30 p.m., after the examination had started. He watched as funeral home employee Robert Fields drew a blood sample directly from Casolaro's heart. Ms. Brining and Mr. Fields asked Patrolman Armel to notify Casolaro's next-of-kin. Patrolman Armel relayed that request to Detective McMillen, who had returned to the station.

Patrolman Armel asked Ms. Brining for the cause of death, and she said Casolaro had bled to death. She determined the wounds to Casolaro's wrists had been self-inflicted, and the manner of death was suicide.

As Ms. Brining and Patrolman Armel were preparing to leave, Charles Brown, the owner of Brown's Funeral Home, asked Ms. Brining if the body could be embalmed. Ms. Brining said she was releasing the body to the funeral home, an autopsy would not be conducted because the death was a suicide, and the body could be embalmed. Mr. Fields then embalmed the body. He did not do a perfect job, however, as he missed Casolaro's bladder and liver.

The decision to permit the embalming of Casolaro's body before an autopsy could be performed was not unreasonable, in light of the physical evidence suggesting that Casolaro had committed suicide. However, Ms. Brining should have waited a few more hours before releasing the body, to see whether Casolaro's next-of-kin had been notified. Under West Virginia law, a deceased's body may not be embalmed unless the authorities have first made "due inquiry" as to the desires of the next of kin.

West Vir. Code Ann. § 30-6-8 (1993).

As discussed in the next section, at 3:30 p.m., the Martinsburg Police requested the Fairfax County police to notify Casolaro's next-of-kin before the embalming. As described below, the Fairfax Police reported back at 5:00, after the embalming had started, that they had been unable to do so. Although Ms. Brining should have waited until after the Martinsburg police had heard back from the Fairfax County police, her failure to do so made no difference, because the body would have been embalmed anyway once the Fairfax County police had reported they were unable to locate any next-of-kin.

Moreover, the embalming of Casolaro's body appears consistent with the custom and practice of funeral homes in the Martinsburg area when dealing with out-of-town decedents. During a lawsuit filed by Casolaro's family against Brown's funeral home, Berkeley County, and the City of Martinsburg, an attorney for Casolaro's family took the sworn depositions of Ms. Brining, Mr. Brown, and Mr. Fields. In his deposition, Mr. Brown

testified that so-called "courtesy embalmings" are standard procedure in Martinsburg for decedents from Washington, D.C. (Casolaro, et al., v. Brown Funeral Home, et al., No. 92-C-721, Circuit Court for Berkeley County, W. Va., Deposition of Charles Brown, Sept. 13, 1993, at 27, 35).

Although the media have reported that Ms. Brining and Mr. Brown had a dispute over whether she had authorized him to embalm Casolaro's body, in fact they both agree she did authorize the embalming. In her deposition, Ms. Brining testified that, as she was leaving the funeral home, she told Mr. Brown, "the body is released." (Deposition of Sandra Brining, Jan. 14, 1993 at 92). Mr. Brown then asked whether the body could be embalmed, and Ms. Brining said "yes." (Id.) The Casolaro family's lawsuit was eventually dismissed on summary judgment.

The embalming of Casolaro's body was controversial, because embalming typically precludes the ability to obtain accurate toxicological studies of bodily fluids. Here, however, the embalming did not interfere with the autopsy, because the medical examiner and toxicologist had access to four separate bodily fluid samples and organs that had been unaffected by the embalming: (1) the blood sample that Mr. Fields had taken directly from Casolaro's heart, before the embalming had been performed; (2) a small amount of urine that had not been evacuated at the time of death because of the submersion of Casolaro's body in the bath water, and that had not been tainted due to Mr. Fields' failure to inject embalming fluid into the

bladder; (3) a small amount of vitreous fluid from behind the eye sockets; and (4) the liver, which Mr. Fields had entirely missed when he failed to insert the trocar (embalming tool) into that organ.

G. Notification of Next-of-Kin

At 3:30 p.m. on Saturday, August 10, before Casolaro's body had been embalmed, Detective McMillen called the Fairfax County Police Department, and notified them of Casolaro's name, address, and apparent suicide. They requested the Fairfax Police to notify Casolaro's next-of-kin. The Fairfax Police said they could not do so unless they were notified by teletype.

At 4:00 p.m. Detective McMillen sent the requested teletype, but heard nothing from his counterparts in Fairfax County. A few minutes later he sent a second teletype. At 4:30 p.m., a Fairfax County patrol car drove to Casolaro's house. The officer knocked. When no one answered, the officer left his business card on Casolaro's door. The officer returned to the station and called Detective McMillen at 5:00 p.m. Detective McMillen asked the officer to attempt to notify Casolaro's next-of-kin, and asked them to contact the Martinsburg police to provide instructions regarding funeral arrangements.

Unfortunately, the Fairfax County police made no effort to find any of Casolaro's relatives, other than going to Casolaro's house and leaving a business card. Had they made the effort to look in the telephone book, they would have found a listing for Tony Casolaro, and could have tried to reach him to see if he was

related to the deceased. Their failure to do so was inexcusable.

On Sunday evening, Detective McMillen told his colleague, Detective Sergeant George Swartwood, that he had still not heard back from the Fairfax police as to whether Casolaro's next-of-kin had been notified. The next morning, Detective Sergeant Swartwood called directory assistance for Fairfax County, received the listing for Tony Casolaro, and called the number. Casolaro's mother was at Tony's house. When she answered the phone, Detective Sergeant Swartwood asked if she knew a Joseph Daniel Casolaro. She said that was her deceased husband. Swartwood then gave her Casolaro's address from the driver's license, and said the police were investigating Casolaro's possible suicide. She became distraught.

Detective Sergeant Swartwood then called Casolaro's brother. Tony told Swartwood that his brother was an investigative journalist, that he had been working on a sensitive story, that he had received death threats, and that an autopsy needed to be conducted. Swartwood relayed the information to Ms. Brining. She agreed to contact the West Virginia Deputy Chief Medical Examiner (and Professor of Pathology at the University of West Virginia), Dr. James L. Frost, to arrange for an autopsy.

V. The Autopsy

Casolaro's body was sent to Morgantown, West Virginia on Tuesday, August 13, 1991. That afternoon, Dr. Frost conducted preliminary and fluoroscopic examinations of the body. The

results were negative.

The next morning, August 14, 1991, Ms. Brining, Patrolman Armel, and Patrolman Stambaugh traveled to Morgantown and observed the autopsy. Dr. Frost submitted the blood sample that had previously been taken from Casolaro's heart, as well as the urine, liver, and vitreous fluid samples that he found during the autopsy, to the toxicology laboratory for analysis. Dr. Frost noted during the autopsy that Casolaro's tongue was normal, indicating that Casolaro did not appear to have ingested any foreign substance. There was no indication of force having been applied to Casolaro's mouth or lips. There was no sign of choking, strangulation, or drowning. There was no water in Casolaro's lungs.

Casolaro's brain was removed and taken to the pathology laboratory for analysis. The neuropathologist, Dr. Sydney S. Schochet, examined Casolaro's brain and determined that Casolaro had been suffering from multiple sclerosis. Dr. Schochet opined that Casolaro had been experiencing vision problems. As noted above, Casolaro had complained to both Wendy Weaver and Ann Klenk about vision problems during the months before he died.

Dr. Frost examined Casolaro's wrists. The undersides of both wrists had fairly deep cuts, but the depth was not extraordinary for a suicide. The angles of the cuts indicated the wounds had been self-inflicted.

Casolaro was right handed. There were four cuts on his right wrist, and eight on his left wrist. Casolaro probably made

the cuts on his left wrist first. The uppermost cut appears to have been a superficial cut. Casolaro may have made that cut first, then cut more deeply on the succeeding cuts. Dr. Frost told us he did not regard the superficial cut as a so-called "hesitation cut," something that certain forensic pathologists look for in suicide cases. In Dr. Frost's view, the lack of a hesitation cut could be cited as evidence that the victim was particularly determined to commit suicide.

Casolaro injured one of the tendons in his left wrist with a particularly deep cut, but that did not deprive him of the motor ability in his left hand to grasp the razor and cut his right wrist, which he did next. The other cuts were also deep, but not so deep as to have been especially suspicious to Dr. Frost.

Dr. Frost officially ruled the cause of death as "exsanguinating hemorrhage from multiple incised wounds to the wrists." Dr. Frost ruled the manner of death as suicide.

The autopsy found no indications that Casolaro had been involved in a struggle. Three of the fingernails on his right hand had been chewed. Casolaro's brother Tony told us he was not a nail-biter, but there is no evidence that anyone else bit his nails, or that he had bitten the nails during a struggle in the hotel room. There was a faint contusion on Casolaro's left anterior bicep, but that bruise was probably two days old. There were other faint blue marks and contusions on the body, but those were postmortem skin discolorations caused by the embalming fluid.

In addition to the finding that Casolaro was suffering from multiple sclerosis, the autopsy also revealed that Casolaro had "moderately severe" arteriosclerosis.

Dr. Frost approximated the time of death as around 7:00 to 8:00 Saturday morning, August 10, 1991. Dr. Frost estimates Casolaro probably lost consciousness within five to eight minutes after cutting himself, and he probably died within 15 minutes after cutting himself.

The toxicology studies did not alter Dr. Frost's conclusions as to the cause and manner of death. The toxicology results were reliable, notwithstanding the embalming of Casolaro's body, because of the four separate, untainted bodily fluid and organ samples available for testing. Thus, the toxicologist, Dr. Cash, was able to determine exactly what drugs may have been inside Casolaro's body at the time of death.

The toxicology tests revealed the following: Casolaro had a an alcohol content of .04 in his urine, an amount consistent with the metabolism rate for a man of his height and weight consuming the six beers found in the hotel room, as well as some of the white wine, during the night and early morning hours before his death. No alcohol was found in the blood sample taken from Casolaro's heart. Trace amounts of the chemical components for Vicodin were found, as well as trace amounts of a tricyclic anti-depressant medication. Although the empty Vicodin bottle was found in Casolaro's luggage, the tricyclic was never traced, and we were unable to determine its origin. The amount, however,

was insignificant.

Dr. Cash specifically looked for any "exotic" drugs or any other substances that could have been used to render Casolaro unconscious, but found nothing. Dr. Frost recalls that he and Dr. Cash specifically discussed the case involving a Bulgarian agent killed in London with a poison-tipped umbrella several years earlier. They were determined to find any such toxic if one had been used on Casolaro. They found nothing.

Dr. Cash tested the wine found in the open bottle adjacent to the bathtub. That test was negative. No other substances were found that could have caused Casolaro to have been incapacitated.

The Hamiltons have very recently alleged that someone entered Casolaro's room and injected him above the spine with "ethyl alcohol absolut," thereby deadening his nerves. Dr. Cash, however, found no ethyl alcohol in Casolaro's blood. Moreover, Dr. Frost found no injection sites anywhere on Casolaro's body. Pure ethyl alcohol would have been particularly irritating to the skin, but no such irritations were found during the autopsy.

We asked Dr. Yale Caplan, a Baltimore toxicologist and former President of the American Academy of Forensic Sciences, about the "ethyl alcohol absolut" theory, and he agreed with Dr. Frost that it would have been highly unlikely for Casolaro to have received such an injection without Dr. Frost seeing evidence of it during the autopsy. Dr. Caplan also noted that such an injection would have to have been precisely and expertly made,

with Casolaro's cooperation, for it to have achieved a "nerve-deadening" effect. Thus, there appears to be no basis for the view that Casolaro was injected with anything before he died.

VI. Review of the Autopsy

Several months after the autopsy was conducted, a group of journalists in Washington, D.C. asked Professor James E. Starrs, a noted forensic pathology expert at the George Washington University law school, to review Dr. Frost's autopsy report. Professor Starrs agreed with the medical examiner's conclusions.

In an interview with the Washington Business Journal (week of Nov. 9-15, 1992, p. 13), Professor Starrs agreed with Dr. Frost that Casolaro's wounds had been self-inflicted. He doubted whether any additional scientific techniques would have changed the outcome of the autopsy. Professor Starrs agreed with Dr. Frost that the small contusions on Casolaro's body were caused by the embalming fluid, although he criticized the West Virginia authorities for embalming the body so quickly. Professor Starrs also noted that the suicide note was typical, in that it was unsigned and made apologies to Casolaro's family members. Professor Starrs summarized his view of the case by saying, "[i]f this was a homicide, it would be the most singularly remarkable murder on record, either in fiction or nonfiction."

VII. Further Police Investigation Before and After the Autopsy

A) Investigation at Sheraton Inn

As discussed above, on Monday, August 12, 1991, following the notification to Casolaro's family of his death, and Tony's statements to the police about his brother's "Octopus" investigation, the Martinsburg police conducted an additional investigation. The police were also besieged with media inquiries about the case, and were forced to devote substantial amounts of time to receiving incoming calls.

The first step the police took was to return to the Sheraton Inn. Detectives Catlett and McMillen, along with Patrolman Armel, went to room 517 and conducted a full "crime scene" search. They dusted for fingerprints, took hair and fiber samples, and logged all of Casolaro's belongings as evidence. Detective Catlett also interviewed various hotel employees.

The police then checked with the front desk. The hotel manager said that there were six keys for Room 517, that Casolaro had been given one key when he checked in on Thursday, and that the remaining five keys had been stored in their proper location at the front desk since then. (The police found Casolaro's room key among his belongings during their initial search of the hotel room on Saturday.)

Captain Anderson and Detective Sergeant Swartwood checked the hotel records, and determined that Casolaro had purchased drinks at Heatherfield's lounge on Thursday night. They interviewed Julie Hitrick, and learned that Casolaro had spent Thursday night at the bar. They also learned the names of the occupants of the adjoining rooms. They interviewed Mike Looney,

who was staying in Room 519, and who had been drinking with Casolaro on Thursday night. Looney was a field service supervisor from the 3-M Corporation in St. Paul, Minnesota. He was in Martinsburg on a business trip. Looney's wrist was bandaged. He told the police that he had hurt himself playing volleyball. The police verified Looney's story the next day.

Detectives Swartwood and Catlett located the occupants of Rooms 514, 515, 516, and 520, who by then had returned to Pennsylvania following the weekend soccer tournament in Martinsburg. None of them had seen any or heard any suspicious activity near Casolaro's room (Room 517) on Friday night or Saturday morning.

After interviewing Looney, Anderson and Swartwood searched the hallways and stairwells, looking for Casolaro's papers or any other evidence, but found nothing.

Throughout the week after Casolaro's death, the police interviewed every hotel employee who had or may have had contact with Casolaro during his stay. The front desk employee who registered Casolaro remembered he may have had a brown colored briefcase. However, no other hotel employee, including the maid who cleaned Casolaro's room on Friday as he waited in the hallway, saw a briefcase. Nor was a briefcase found in Room 517, or in Casolaro's car after Casolaro's death. On Friday, August 16, the police conducted a more thorough search of the area around the hotel, including the dumpsters and an area along Interstate 81 in the vicinity of the hotel, but were unable to

find a briefcase.

The police also went to the body shop where Casolaro's car had been impounded. They searched the car, dusted for fingerprints, and logged the contents as evidence. They forgot to check the gasoline tank level, but returned the next day and noted that the tank was half-full.

B) Reconstruction of Casolaro's Final Days In
Martinsburg

The Martinsburg police conducted a variety of interviews to retrace Casolaro's movements in Martinsburg during the final two days of his life. Captain Anderson and Detective Sergeant Swartwood interviewed employees at the Stone Crab Inn, because they knew Casolaro had been there from the credit card receipts found in his room. One of the waitresses thought she heard Casolaro mention the "Old Stone Restaurant." Anderson and Swartwood went there, but no one recognized Casolaro's photograph. Anderson and Swartwood also went to a shopping center near the Old Stone Restaurant. They showed Casolaro's photograph to various people there, but no one recognized the photo.

Swartwood and the other officers continued retracing Casolaro's steps. They interviewed the witnesses who had seen him at the Stone Crab Inn on Thursday and Friday (including the vineyard with whom Casolaro spoke on Thursday), at the Pizza Hut on Thursday, at Heatherfield's lounge on Thursday, and at the Sheetz store on Friday night. They also checked at various other hotels and motels in the area, and found that Casolaro had not

been seen at any of those locations.

C) Contacts with Casolaro's Family and Friends

The Martinsburg police (Swartwood, Armel, McMillen and Sergeant Tom Gaither) also gathered information in Fairfax County during a trip there on August 21-22, 1991. While there they searched Casolaro's house (with the family's permission), and conducted a variety of interviews of Casolaro's family and close friends. They also went to several bars that Casolaro had frequented and interviewed the bartenders. They went to the health club where Casolaro had worked out and searched his locker, but found nothing.

D) Contacts with Casolaro's "Sources"

During their investigation the police received information from the Hamiltons, and from Casolaro's various sources. While Casolaro was alive his sources told him about various conspiracies involving international intrigue; after Casolaro's death many of those same sources told the police and others that Casolaro must have been murdered because he was about to expose those conspiracies.

Thus, after the Martinsburg police had heard about William Turner, they asked the Winchester, Virginia authorities to interview him. Turner told Captain Barrington of the Frederick County sheriff's department on August 20, 1991 that Casolaro had given him a stack of documents approximately one and one-half feet high. Turner told Captain Barrington that he would not speak with the Martinsburg police, but that he had given an

exclusive interview to the television tabloid program "Inside Edition."

On September 30, 1991, Detective Sergeant Swartwood spoke by telephone with Robert Booth Nichols. Booth Nichols suggested to Swartwood that Casolaro must have been murdered, and that Michael Riconosciuto (who was in prison in Tacoma, Washington, awaiting trial in his methamphetamine case) must have been involved. Booth Nichols did not repeat that claim when we interviewed him more recently.

On October 17, 1991, Swartwood spoke by telephone with Charles Hayes. He told Swartwood about the supposed "high stakes poker game" going on at the Sheraton. Swartwood checked the story, and it turned out to be false.

E) Pursuit of Additional Leads

1. Attempts to Trace Razor Blades

The Martinsburg police spent considerable time attempting to trace the razor blades found in Casolaro's room, including the blade found in the bathtub with his body. They determined that the blades had been manufactured by Techni-Edge Manufacturing Corporation in New Jersey. The blades were single-edged, commonly used in paint work. The police checked several retail outlets in the Martinsburg and Fairfax County areas, but were unable to determine where the razor blades may have been purchased.

The police also asked for the razor blade found in the bathtub to be checked for fingerprints. However, because the

blade had been immersed in water, the West Virginia State Police crime laboratory was unable to lift any fingerprints. We asked the FBI laboratory to attempt to lift a fingerprint from the blade, but they were unable to do so.

2. The White Wine

During their search of Casolaro's house on August 21, 1991, the police found two unopened bottles of "Caves Alianca" white wine under the kitchen sink. The bottles matched those found in the bathroom and in Casolaro's luggage. The Martinsburg police determined that the Giant Supermarket chain in Northern Virginia sells Caves Alianca wine. The brand is unavailable in West Virginia.

3. The Shoelaces

During their search of Casolaro's house, the police found two tennis shoes from two different pairs -- one Nike and one Reebok -- that were each missing a shoelace. The shoes were in the closet in the upstairs bedroom. The police asked the West Virginia State Police Crime Laboratory to attempt to match the two laces found at the death scene with the two shoes from Casolaro's house. The crime laboratory was unable to make a definite match, although a visual comparison of the laces and the shoes seemed to indicate that the eyelet marks on the laces matched the eyelets on the shoes.

We had the FBI laboratory conduct a variety of tests on the laces and the shoes to attempt to match them, but the results were inconclusive.

4. "Ibrahim" Passport Photo

On August 29, 1991, and on September 27, 1991, the Martinsburg police received copies of a passport photo of an Arab named Hassan Ali Ibrahim Ali. This may have been the same photograph that Casolaro had shown to Ben Mason in his basement office on Wednesday, August 7.

There is no evidence that Casolaro ever met Ibrahim, or that Ibrahim -- whoever he is -- had anything to do with Casolaro's death.

5. Other Forensic Tests

a) Blood samples

The West Virginia State Police Crime Laboratory determined that the blood stains found in the bathroom in Room 517 matched Casolaro's blood.

b) Suicide note

The West Virginia State Police Crime Laboratory determined that the handwriting on the suicide note matched Casolaro's known handwriting. The ink used to write the note matched the ink found next to the suicide note. Casolaro's right thumbprint was found on the legal pad containing the suicide note.

c) Fingerprints

The West Virginia State Police Crime Laboratory determined that Casolaro's fingerprints matched those lifted from the bathroom sink. The fingerprint found on the unused ashtray in the hotel bedroom could not be identified.

d) The Wine in the Bathroom

The West Virginia State Police Crime Laboratory determined that the wine found in the open "Caves Alianca" bottle on the bathroom floor was untainted, as were the wine traces on the broken drinking glass on the bathroom floor.

e) Blood Spatter Analysis

On December 2, 1991, the Martinsburg police and the Berkeley County District Attorney asked Dr. Henry C. Lee, the Chief Criminalist at the Connecticut State Crime Laboratory, to conduct a blood spatter analysis of the bathroom where Casolaro's body had been found. Dr. Lee is a nationally recognized blood spatter expert. The Martinsburg police provided Dr. Lee with the death scene photographs, as well as a videotaped reenactment of the death the police had prepared (with Dr. Frost's assistance) on December 12, 1991 in the exact room where Casolaro had died.

Dr. Lee reviewed Dr. Frost's autopsy, and he reviewed other evidence. Dr. Lee also created a three-dimensional photographic montage from the photographs taken of Casolaro's body and the bathroom on August 10, 1991. Dr. Lee issued his report on January 24, 1992.

Dr. Lee theorized that Casolaro filled the tub with an amount of water; poured himself a drink of wine, and sat the glass on the side of the bathtub; sat down on the side of the bathtub; cut his wrists with the razor blade; and then sat inside the tub. Casolaro then probably got into the bathtub and placed one of the white hefty bags over his head as added insurance that

he would die. (Casolaro had discussed with Ann Klenk several months earlier how the author Jerzy Kozinski had committed suicide in a bathtub by tying a plastic bag over his head.)

Dr. Lee theorized that Casolaro next submerged his wrists into the water, and bled into the water for a few moments. He probably became extremely uncomfortable with the bag over his head, and pulled it off, flinging bloody water across the floor and to the sink opposite the bathtub. Casolaro then attempted to stand up in the tub, bracing himself against the tile wall. By that time, however, he had lost too much blood. He must have become woozy and slumped back into the tub, causing bloody water to slosh over the side of the tub and onto the bathroom floor. As he fell back down into the tub, Casolaro's arm knocked the drinking glass onto the floor, where it broke. His right arm hung outside the tub as he slumped against the side of the tub. His head came to rest on the side of the tub.

Dr. Lee concluded that the blood spatter analysis he had conducted established that Casolaro's death was "not inconsistent with a suicide."

6. Financial Investigation

There was no evidence Casolaro had earned any outside income during the months before he died. When the Martinsburg police searched Casolaro's house, they found his checkbook and checking account statements. The documents indicated that Casolaro had been receiving loans from family members every two or three months. A Promissory note to his

brother John's trust indicated that Casolaro had borrowed \$45,000. Another note indicated that Casolaro had borrowed \$10,000 from his sister Mary Ellen and her husband in March 1991.

The police also found the balloon payment promissory note for Casolaro's house. The note indicated that a balloon payment of \$178,790 was due August 9, 1991. The police checked with the mortgage company, and learned that Casolaro had received a 30-day extension, to September 8, 1991 (hence the statement in Casolaro's July 22, 1991 letter to Karlitz that "in September I'll be looking into the face of an oncoming train"). The police also found Casolaro's July 1991 phone bill, in the amount of \$922.00.

Casolaro's will left everything (his house and a total of \$450,000 from three separate life insurance policies) to his son Trey. The large amount of life insurance may have led Casolaro to believe he could help Trey more by dying than by living. Casolaro's family adamantly insists he would not have committed suicide simply due to his financial problems, because he knew his family would always be there as a financial "safety net." We agree that Casolaro probably did not commit suicide solely due to his financial condition, but we also believe it was a contributing factor.

F. Comment on the Martinsburg Police Investigation

The Martinsburg Police officially concluded their investigation on January 25, 1992, after expending over 1,000 aggregate hours on the case. Since then, some in the media and

elsewhere have criticized, even ridiculed the competence of the investigation.

In our opinion, the Martinsburg City Police Department conducted a thorough, professional investigation. The investigation was not perfect. Few are. But given the limited resources of a small police force suddenly caught up in a case attracting national attention, the police did an excellent job of identifying and pursuing nearly every lead that mattered. Captain Anderson and his men should be commended for a difficult job well done.

We also believe that Dr. Frost, Dr. Cash, and Dr. Schochet performed an excellent autopsy, toxicology, and neuropathology study. Dr. Frost, in particular, impressed us as a very thorough practitioner, dedicated to upholding the highest standards of his field, and interested solely in the truth.

VIII. Miscellaneous Leads

During the Martinsburg police investigation, several leads were developed that were not completely resolved. We addressed some of those leads, as follows:

A. "Village Voice" Phone Call

On Sunday night, August 11, 1991, the day before news of Casolaro's death had become public, a writer at the Village Voice in New York City named Dan Bishoff received a telephone call. Bishoff later told the Martinsburg police that he was in his office that evening. The phone rang on a direct dial line.

Bishoff answered, and the caller said "There has been a death of a journalist in West Virginia that needs to be looked into." Bishoff thinks the caller may have mentioned the name "Casserole." The police asked Bishoff to attempt to verify his recollection, but Bishoff was unable to supply any corroboration.

We spoke with Bishoff. Although he still believes he received a telephone call on Sunday night, he said that, upon reflection, he is not sure whether the caller mentioned the name "Casserole." He told us that many "conspiracy buffs" had his inside telephone line, and he frequently received calls about dead journalists. He indicated that, at that time he spoke with the Martinsburg police, he "wanted it to be true" that Casolaro had been murdered, but that now he believes Casolaro committed suicide. He told us that he now regards the Sunday night telephone call as "not significant."

B. Casolaro's Fear of Needles and Blood

Some of Casolaro's family and friends suggest that he would not have committed suicide by cutting his wrists, because he was frightened of needles and the sight of blood. We spoke with several doctors and dentists who treated Casolaro during the years before his death. Tony Casolaro's medical partner, Dr. Steven Zimmet, told us that during a routine physical examination approximately two years before Casolaro died, Casolaro put up a fuss before submitting to a blood test. However, Dr. Stanley Levin, who performed a root canal on Casolaro in December 1990, told us that Casolaro exhibited no fear of needles, blood, pain,

or any of the other incidents of oral surgery.

C. Casolaro's Planned Meeting In West Virginia

Casolaro told many of his friends and family that he was going to West Virginia to meet a "source." No one with whom we spoke recalls Casolaro ever identifying who it was he supposedly planned to meet. Casolaro himself was inconsistent in his description of the "source," telling the Weinfields that he did not know the identity of the person he was going to meet; telling Lillian Pittaway that he was going to meet someone who would give him his "biggest tip;" and telling Ben Mason that he was going to see "the guys."

We found no evidence that Casolaro planned to meet, or met with anyone in West Virginia connected to the "Octopus" project. His movements in West Virginia have been almost entirely accounted for, and he spent most of his waking hours on Thursday and Friday drinking.

Nonetheless, there seems no end to the speculation. For example, William Turner has recently told the Hamiltons, who told us, that Casolaro planned to meet in Martinsburg with Videnieks, Cuellar, an unidentified person from Senator Byrd's office, and unidentified IRS employee, and attorney Robert Altman. This claim is utterly absurd, and coming as it does from Turner, should be viewed as lacking any credibility. A caller to the "Unsolved Mysteries" hot line reported seeing Clark Clifford and Robert Altman driving in Martinsburg on the day of Casolaro's death in a late model Chevrolet Caprice.

D. The Paper in Casolaro's Shoe

During forensic testing, the West Virginia State Police crime laboratory found a folded piece of paper inside Casolaro's left shoe. The shoe had been found in Room 517, next to the bed. The paper had indentations, as if Casolaro had written something on a page on top of the paper. The laboratory determined that the paper had come from the same legal pad on which Casolaro had written the suicide note. The laboratory was able to reproduce the impressions left on the paper. The writing was Casolaro's. The paper read as follows:

Outline

Chapter on 1980.

Terrorist underground. Afghanistan. Mideast. Iran.

John Philip Nichols after arrival

Indian Reservation

Fred Alvarez

Paul Morasca

Philip Arthur Dempson

Fresno

Hercules -- Bill Kilpatrick The Big Tex -- Ricono

San Francisco

Finish up chapter w/ Paul M. & Fred A. / ord

There is no indication when Casolaro had written those words, or why he had put the piece of paper inside his shoe.

E. The "Mystery Man" at Casolaro's Funeral

At Casolaro's funeral a person showed up in full military uniform. Casolaro's family did not recognize the person, and became suspicious. It has since been determined that the individual was an army veteran who had worked with Casolaro at Computer Age. He wore his uniform simply as a sign of respect to his friend.

IX. Psychological Autopsy

At our request the FBI's National Center for the Analysis of Violent Crime and its Behavioral Sciences Unit, located at the FBI Academy in Quantico, Virginia, conducted an equivocal death analysis, or "psychological autopsy," of Casolaro. Three FBI behavioral scientists prepared a report examining Casolaro's life history and his behavior during the final weeks and months of his life. They concluded that Casolaro had committed suicide, and that he may have intentionally "scripted" the end to his own life.

The behavioral scientists noted that the "one common denominator in the life of Casolaro up until 1990 appeared to be feelings of high expectations of success, followed by disappointments." They found that while Casolaro "wore the facade of the eternal optimist . . . deep down inside he may have perceived himself as a failure as an author, an investigative reporter, a husband, a father and as a businessman." The behavioral scientists found Casolaro's physical problems and apparent concern about multiple sclerosis very significant, noting that "the thought of having a progressively debilitating disease may have been overwhelming."

Added to the other "stressors" in Casolaro's life, Casolaro may have believed that his situation was deteriorating and that "he was running out of time." The behavioral scientists noted that by "planting the seeds" in the minds of those close to him that he may have been killed, Casolaro thought he might be

alleviating the guilt feelings his family and friends would feel for not preventing his suicide. In addition, Casolaro might have hoped that by making his death look mysterious, he might gain in death the journalistic fame he had never enjoyed in life, by "dying for a story," becoming "a martyr for truth and justice," only to have been "silenced on the eve of his greatest triumph by the forces of evil."

Most forensic scientists regard the psychological autopsy tool as a valuable aid in understanding the mental state leading to an individual's decision to commit suicide. However, the courtroom evidentiary value of psychological autopsies has recently been criticized in a law review article. Ogloff and Otto, Psychological Autopsy: Clinical and Legal Perspectives, 37 St. Louis U.L.J. 607 (1993) (attacking reliability of psychological autopsies). For purposes of this report, we regard the psychological autopsy conducted at Quantico as not dispositive, but as certainly very persuasive in lending support, along with the other evidence we found, to our conclusion that Casolaro killed himself.

X. Conclusion

Danny Casolaro committed suicide. There is no evidence suggesting he was the victim of a homicide. Nor is there any evidence of corruption or wrongdoing regarding the handling of his body, the autopsy, or the manner in which the West Virginia authorities investigated his death.

Many factors contributed to Casolaro's decision to take his own life. The most important factor was probably his significantly deteriorating physical and emotional health. While his financial condition was precarious, we agree with his family that he would not have committed suicide over finances alone. But in Casolaro's case, his financial problems paled in comparison to the prospect of having to live the rest of his life with a very serious, disabling, and progressively worsening disease.

The FBI behavioral scientists concluded that Casolaro hoped to achieve in death the notoriety that had always eluded him in life. Casolaro succeeded, probably far beyond his dreams. He has attracted, in death, the attention of powerful Members of Congress, two Attorneys General, and the national news media.

We have no doubt that questions will continue to linger about Casolaro's death after this report is released. If it is any comfort to his family and close friends, we want them to know that we kept an open mind, that we gave this investigation our best effort, and that we are now convinced of the sad, simple truth -- that Danny Casolaro voluntarily took his own life.

We conclude this report with the sincere hope that Danny Casolaro will someday be permitted to rest in peace.



U.S. Department of Justice

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I. Executive Summary

II. Introduction

Joseph Daniel ("Danny") Casolaro was a self-styled, unemployed "investigative reporter" who had been working on a story involving the links between various Washington "scandals" of the 1980's, including Inslaw, the Bank of Credit and Commerce International (BCCI), the "October Surprise," Iran-Contra, the Iraqi arms procurement network, and the collapse of the savings and loan industry. Casolaro's theory was that these scandals had all been the handiwork of a diabolical, shadowy group of people whom he referred to as the "Octopus." Casolaro began working on the story full-time in early 1990.

On Saturday afternoon, August 10, 1991, Casolaro was found dead in Room 517 of the Sheraton Inn located in Martinsburg, West Virginia. Casolaro's body was in the bathtub. The tub was filled with bloody water. Both of Casolaro's wrists had been slashed. The Police determined Casolaro's identity and home address in Northern Virginia from his driver's license, which they found in the hotel room among his other personal effects.

After a brief investigation at the scene, the Police Department and the county coroner concluded that the cause of death was suicide. The Coroner released the body to a local funeral home, where the body was embalmed. The Martinsburg police sent a telex to the Fairfax County Police Department in Northern Virginia requesting that Casolaro's relatives be

notified of his death.

Due to a mix-up, Casolaro's relatives were not notified until Monday morning, August 12, 1991. Casolaro's brother, a Fairfax County physician, told the Martinsburg Police about Casolaro's work on the "Octopus" story, and suggested that many people would have had a motive to kill Casolaro. He explained that Casolaro had told people he was travelling to Martinsburg to meet a key source. Casolaro's brother insisted that an autopsy be conducted, and he questioned how Casolaro's body could have been embalmed so quickly, without the knowledge or consent of Casolaro's family.

Soon after the call from Casolaro's brother, the Martinsburg Police Department was deluged with inquiries from the news media, from friends of Casolaro, and from congressional investigators. Questions were raised about the cause and circumstances of Casolaro's death. Some insisted that Casolaro would never have committed suicide, because he had told friends he was on the verge of breaking the "Octopus" story he had been pursuing for nearly two years. Still others described Casolaro as excited and enthusiastic, and hardly on the brink of suicide. They noted that Casolaro had made social plans for the week following his return from Martinsburg; and, as a devout Catholic, he would have considered suicide a mortal sin. They also explained that Casolaro had a near-paranoid fear of needles, and that it would have been inconceivable for him to have slashed his own wrists.

had been cut -- suggested that the wounds had not been self-inflicted.

Faced with this sudden and intense public interest in the case, the West Virginia authorities ordered an autopsy. The West Virginia Deputy Chief Medical Examiner performed the autopsy on Tuesday, August 13, 1991, and determined the cause of death as suicide. The autopsy also disclosed that Casolaro had been suffering from multiple sclerosis and arteriosclerosis. The autopsy found no evidence suggesting that Casolaro had been murdered.

The autopsy findings, however, did little to quell the controversy over Casolaro's death. The media and others raised many questions about the circumstances of Casolaro's death and the adequacy of the police investigation and the autopsy. Some suggested that Casolaro had been murdered because he was about to expose the "truth" about the "Octopus." Various theories appeared in the media about "who killed Danny Casolaro." The House Judiciary Committee, which had previously begun an investigation into Inslaw's dispute with the Justice Department, broadened its inquiry to include an examination of Casolaro's death.

Faced with these continuing questions about its investigation, the Martinsburg Police Department reopened the case and conducted a second, more intensive investigation. On January 25, 1992 the West Virginia authorities announced that their additional investigation had concluded that Casolaro indeed

had committed suicide, and that the case was closed.

Nevertheless, media and congressional interest continued. Critics of the West Virginia investigation charged that the embalming of Casolaro's body had been performed illegally, and had prevented accurate toxicological studies of Casolaro's bodily fluids. Critics also noted that the police had failed to preserve a sample of the bloody bathtub water; that they had failed to ensure that the hotel room was properly sealed after removing Casolaro's body; and that they had failed to recover any of Casolaro's notebooks and papers.

The crescendo of interest in Casolaro's death peaked on September 10, 1992, when the Democratic Members of the House Judiciary Committee issued a report entitled The Inslaw Affair. The report raised many questions about the circumstances of Casolaro's death. Accompanying the report was a formal request from the Committee Democrats to then-Attorney General William P. Barr, requesting the appointment of an Independent Counsel to investigate six specific issues involving Inslaw, including "the lingering doubts over certain suspicious circumstances surrounding the death of Daniel Casolaro."

Attorney General Barr rejected the request for appointment of an Independent Counsel, partly because he had previously appointed retired federal Judge Nicholas Bua as a Special Counsel to review Inslaw's software theft allegations against the Justice Department. Judge Bua submitted his report to Attorney General Janet Reno in March 1993. Judge Bua reviewed the Martinsburg
NW: 15457 DocId: 70002067 Page 109

Police Department's investigation into Casolaro's death, and he found no basis for challenging the conclusion that Casolaro had committed suicide. (Bua report, 246-50).

~~- On July 12, 1993, Inslaw and its attorneys issued a written "Analysis and Rebuttal" of Judge Bua's report. The rebuttal criticized Judge Bua's review of the Casolaro matter, particularly his failure to interview certain individuals.~~

~~On November 1, 1993, the Associate Attorney General and the Deputy Attorney General ordered a review of the Casolaro matter, to determine whether there was any basis for opening a federal investigation into Casolaro's death. Assistant United States Attorney Steven E. Zipperstein, who had been serving on temporary assignment in Washington, D.C. from his permanent post in Los Angeles, was assigned to conduct the review. Supervisory Special Agent Scott A. Erskine of the FBI's Washington Metropolitan Field Office was assigned to assist Mr. Zipperstein.~~

The review was conducted in two phases. During the first phase, Zipperstein and Erskine reviewed the West Virginia investigations into Casolaro's death. They reviewed all the police reports, the autopsy, and documents generated during an unsuccessful lawsuit the Casolaro family had filed against the Coroner and the funeral home regarding the embalming of Casolaro's body. Included among those documents were the sworn depositions, taken by the Casolaro family's attorneys, of the Coroner and funeral home personnel. Zipperstein and Erskine travelled to West Virginia and interviewed the police officers

NW: 15457 DocId: 70002067 Page 110

involved in the investigation of Casolaro's death. They also interviewed the Deputy Chief Medical Examiner who had conducted the autopsy.

During the second phase of the review, Zipperstein and Erskine pursued various leads that had been raised in the media and in the House Judiciary Committee Report, and attempted to answer other questions raised by Casolaro's family. During this phase Zipperstein and Erskine conducted numerous interviews of Casolaro's friends, family and associates in Virginia, West Virginia, Washington, D.C., Maryland and California. They obtained documents from various sources throughout the United States, including many of Casolaro's personal papers on file at the Investigative Reporters and Editors Association at the University of Missouri. They also obtained the physical evidence originally found in the hotel room and elsewhere, and had the FBI laboratory conduct additional tests on some of that evidence. They examined Casolaro's background, and had the FBI's Behavioral Sciences Unit at the FBI Academy in Quantico, Virginia conduct an equivocal death analysis, or "psychological autopsy." Other experts were consulted as well, including a former President of the National Academy of Forensic Sciences, and a George Washington University Law Professor who had previously reviewed the Casolaro autopsy report on behalf of a group of Washington-based journalists. Zipperstein and Erskine also reviewed documents at the Central Intelligence Agency and at FBI headquarters. In addition, they met with Inslaw's owners and

NW: 15457 DocId: 70002067 Page 111

attorneys, received documents and other information from them, and followed various leads they had provided. Finally, they reviewed all the telephone calls and mail received by the producers of the television program "Unsolved Mysteries," following the airing on March 11, 1993 of a segment about Casolaro's death.

III. Casolaro's Background

A. Childhood and Adolescence

Casolaro was born on June 16, 1947. He was the second of seven children, and was raised in a traditional Italian Catholic family in Northern Virginia. His father was a successful gynecologist; his mother a homemaker. By all accounts Casolaro enjoyed a happy childhood. The family lived in McLean, an exclusive Fairfax County suburb of Washington, D.C. The family was close-knit, religious, and financially secure. Casolaro was an altar boy at the local church, and the family was very close to the parish priest.

~~There are also indications, however, that Casolaro's childhood was not completely idyllic. For example, when he was eleven he ran away from home briefly. Casolaro admired his father greatly, but never seemed interested in following his father's footsteps and studying medicine, nor did his father pressure him to study medicine, even after Casolaro's younger brother Tony enrolled in medical school.~~

that he was the "black sheep" of the family, because he had failed to become successful like his father or his brother Tony. No one in Casolaro's family that we spoke with, however, viewed him as the "black sheep." Indeed, the most tragic aspect of Casolaro's death is that he left behind a devoted group of family and friends who truly loved him. One of Casolaro's closest friends told us that "Casolaro always wanted to be special; he didn't know that he was special."

When Casolaro was fourteen his mother gave birth to a son, Christopher, the sixth child in the family. Unfortunately, Christopher died a few months later of a heart defect. This was the beginning of what were to be many tragic events in Casolaro's life.

Casolaro grew to become a handsome teenager, and took pride in his physical appearance. He also developed a sense of vanity, complaining on occasion that he was not tall enough. He experienced mixed results in school. He began attending high school at St. John's, but after a poor start transferred to Emerson Preparatory, where he did better. He attended St. Muir College for one year, then transferred to Providence College for his second and third years. Casolardo also took trips to Europe and South America, and became interested in mountaineering.

B. Early Adulthood and Marriage

Casolaro spent one of his summer vacations from Providence College working in Washington, D.C. on Capitol Hill. While there he met a former Miss Virginia named Terrill Pace, who many

describe as the one true love of Casolaro's life. Terrill was separated from her husband and had a baby son (Colby) when Casolaro first met her. They married in 1967, when Casolaro was 20 and in his third year of College.

Casolaro left school to support Terrill and her baby. They moved to Ft. Lauderdale, to a house owned by Casolaro's parents. Casolaro and Terrill had a son, Joseph Daniel Casolaro III, whom they called "Trey."

Casolaro had been interested in books, writing, music and poetry as a teen, and those interests continued into adulthood. Casolaro frequently wrote poems and song lyrics, but was never able to make a career as a songwriter. Casolaro also wrote short stories, but was never able to sell any for publication. In 1973 Casolaro paid a "vanity" publishing house to publish a collection of his short stories entitled "Makes Me Think of Tall Green Grass." The volume contains five short stories, totalling 50 pages. The stories read like imitations of Hemingway. Some of the stories appear based on events from Casolaro's own life, such as the death of a childhood pet. The story about the pet, entitled "All Magic and Dreams," is written in the first person. At the end of the story, the protagonist describes his feelings after his pet had died:

"I never saw Hobo again. . . . But I do hear from Hobo in my dreams. When I look into the mirror, I can catch feelings of what it's like not to be me. To be him maybe, fluttering in space, two white wings with warmth in between, showing me affection. And I'd ask God to bring him back. I could feel that way then because I loved God, not like I loved my dog or cat or sister, but like I loved a wishing well, all magic and dreams."

Unable to find work as a songwriter or author, Casolaro supported his family by working as a stringer or staff writer for various newspapers. In Florida, Casolaro worked briefly for the Miami Herald. After a short time in Florida, however, Casolaro and Terrill moved back to Northern Virginia to be nearer to his family. Casolaro's parents had separated and were going through divorce proceedings, and Casolaro's father had become ill.

In March 1970 tragedy struck the family again. Casolaro's mother's house caught fire while Casolaro's sister Lisa was inside, babysitting Trey and Colby. Although no one was hurt, the fire destroyed the house. This event however, foreshadowed a much greater tragedy for the Casolaro family.

In 1971, Casolaro's younger sister Lisa committed suicide by overdosing on drugs. Lisa, who was 18 years old at the time of her death, had left the family and moved to the Haight-Ashbury district in San Francisco. Her death devastated the family. Casolaro was particularly close to Lisa. When she was born, Casolaro (then six years old) became instantly enamored of her. He referred to her as "my baby," and fought with his older sister Mary Ellen over "possession" of Lisa.

Casolaro's marriage to Terrill was tumultuous. Although Casolaro adored her, they clashed frequently and bitterly.

Terrill [REDACTED] and became increasingly volatile as the years passed. Terrill eventually left Casolaro for another man when Trey was about ten years old. After a failed attempt at reconciliation, Casolaro and Terrill were
NW: 15457 DocId: 70002067 Page 115

divorced in about 1981. Casolaro obtained custody of Trey, and raised him in a rural subdivision in Fairfax County.

C. Life After Terrill

Casolaro was crushed after his marriage failed. In 1981, around the time of the divorce, Casolaro published another "vanity" book, a novel entitled "The Ice King," about a mountaineering expedition to Ecuador. In that novel, again written as if by Hemingway, the character modeled after Casolaro falls to his death in a failed attempt to reach a dangerous mountain peak in Ecuador.

Following his divorce from Terrill, Casolaro dedicated himself to raising Trey. While Casolaro tried hard to be a good father, he became frustrated with himself after Trey began experiencing problems in school. Eventually Trey dropped out of high school and moved to Colorado. Casolaro kept in close touch with Trey, and often told friends and relatives of his devotion to his son.

As time passed following his divorce, Casolaro began to venture out socially, and eventually he seemed to enjoy life. He led an active social life, and was well known at the local bar and night club scene in the Washington, D.C. area. Many of his friends, both male and female, were considerably younger, although Casolaro also maintained friendships with several couples who were considerably older. He was known as a popular, outgoing raconteur who always seemed to be in the company of beautiful women. His friends uniformly describe him as generous,

thoughtful, considerate, and fun-loving.

D. Professional Frustrations

Casolaro enjoyed little career success. His friends describe him as more a dreamer than a career-oriented professional. He wanted to become a mainstream journalist, but was never able to land a permanent staff position with a major newspaper or magazine. He had always fancied himself an investigative reporter, but had never succeeded in that pursuit, albeit not for lack of trying. In the mid-1970's, for example, Casolaro spent considerable time pursuing an "alternative" theory of the Watergate break-in.

Various people have described Casolaro's "theory" as centering around the notion that the break-in was actually engineered by intelligence operatives loyal to the Democratic Party. According to Casolaro's theory, the Democrats knew that they would lose the 1972 election, so they engineered the Watergate break-in, making it appear to be a Republican "dirty trick," thereby sowing the seeds for President Nixon's eventual downfall. In Casolaro's mind, if he could prove this alternative Watergate theory, he would be viewed as having outdone even Woodward and Bernstein as a journalistic sleuth.

Casolaro also pursued many outside interests, including music, poetry, mountaineering, and Arabian horses, but was never recognized in those fields. Against this backdrop, Casolaro developed an interest in the computer industry during the early 1980s, looking for a journalistic niche that might bring a steady

income while he could pursue his other interests. In the early part of the decade he found a job with a trade newsletter called Computer Age, which at the time was the only daily publication in the United States devoted solely to the computer industry.

Casolaro experienced unprecedented professional success at Computer Age. He did well, and the newsletter prospered with the computer industry boom. Eventually Casolaro even bought the publication. His fortunes, however, soon turned bitterly sour. In early 1990, Casolaro began experiencing financial difficulties. While his family had always helped him when he was short of money, this time his problems were so acute that he was forced to sell Computer Age. Casolaro thought he would continue working for the new owner, but the new owner fired him.

This was the low point of Casolaro's career. Casolaro became upset and depressed, feeling that he had been cheated out of his business and his job. Casolaro once again had to turn to his family for financial assistance. Although Casolaro owned his house in Fairfax County on Pinetree Lane, he had a mortgage with a large balloon payment coming due in August 1991. He was looking for something new; something that would finally bring him the recognition and financial success that he had long sought as an aspiring journalist and writer.

IV. "The Octopus"

A. Introduction

In mid-1990 a friend of Casolaro's named Terry Miller told NW: 15457 DocId: 70002067 Page 118

him about Inslaw's dispute with the Justice Department, and suggested he contact Inslaw's owners, William and Nancy Hamilton. Thus began the last chapter of Casolaro's life. For the next several months, Casolaro became obsessed with the Inslaw story and the web of conspiracy theories surrounding the allegations of a plot to steal the Promis software, and sell it to foreign governments and intelligence agencies. Using Inslaw as a starting point, and building on his earlier Watergate work, Casolaro theorized that the Inslaw story was merely one "tentacle" of an "Octopus" that had been engaged in international intrigue since the early 1950s.

Casolaro worked day and night beginning in mid-1990, trying to sort through the maze of bizarre tales he had been hearing from the Hamiltons and others. The Hamiltons put Casolaro in touch with various fringe elements, ex-convicts, and other people, all of whom seemed to share an interest in various conspiracy theories about the world. For the next year Casolaro pursued the story until it exhausted him, both physically and emotionally. ~~Toward the end of his life, Casolaro probably believed that the Inslaw/Octopus story was baseless, and that he had missed his last chance for professional success.~~

B. Casolaro's sources

Casolaro's telephone records during 1990 and 1991 reflect that he spent hours on the telephone, at all hours of the day and night, with various "sources." His principal sources were the ~~Hmailtons~~, with whom Casolaro was in almost daily contact. They, NW: 15457 DocId: 70002067 Page 119

in turn, put Casolaro in touch with other "sources."

Following is a discussion of Casolaro's relationship with the sources most prominently reflected in his phone records and handwritten notes. We begin with a discussion of Casolaro's notes.

1. Casolaro's Notes

Casolaro took hundreds of pages of haphazard notes during his many phone calls with the Hamiltons and his other sources. The notes typically were undated, and failed to identify the source of information reflected in the notes. Casolaro's close friend Ann Klenk found his notes in the basement office of his house the day his death was disclosed. Ms. Klenk provided the notes to Tara Sonenshine, a producer for ABC's Nightline program.

Ms. Sonenshine examined the notes, and told Ms. Klenk that the notes did not appear to contain any clues about Casolaro's death. Several other journalists looked at the notes and arrived at the same conclusion. Ms. Klenk had the notes sent to the Investigative Reporter's and Editor's Association (IRE) at the University of Missouri, where they were catalogued and archived. We obtained a complete set of the notes from IRE. We also obtained copies of certain pages that Ms. Klenk had kept.

We have carefully examined the notes, consisting of several hundred pages. The notes are filled with names, places, phone numbers, diagrams, and references to various international intrigues, including arms dealing, drug trafficking, chemical warfare, money laundering, terrorism, and political
NW: 15457 DocId: 70002067 Page 120

assassinations. Some of the notes appear to have been taken during telephone conversations with various people, while other notes appear to reflect information obtained from newspaper articles and magazines. They are ~~as confused and jumbled as the various conspiracy theories reflected in them.~~ Samples of Casolaro's notes are contained in appendix ~~to this report.~~

The majority of Casolaro's notations appear to reflect information he received from his various sources. Following is a discussion of Casolaro's most prominent sources, other than the Hamiltons.

2. Michael Riconosciuto

a) General

One of the sources the Hamiltons most prominently mentioned to Casolaro was Michael Riconosciuto, a convicted drug dealer, burglar and bail jumper, and former child science prodigy, who claimed to have secret information about the alleged theft of the Promis software. Casolaro spoke frequently with Riconosciuto, and Riconosciuto apparently mesmerized Casolaro with his stories. Obviously an intelligent person, Riconosciuto had the ability to take several unconnected pieces of information and weave them together into bizarre tales of international arms dealing, espionage, and intrigue.

Riconosciuto provided information to Casolaro about supposedly secret arms manufacturing and arms dealing activities centered at the Cabazon Indian Reservation near Palm Springs, California. Riconosciuto was able to weave real people and

NW: 15457 DocId: 70002067 Page 121

events into his stories enough to make it sound as if his stories, strange as they were, had been based on fact.

Riconosciuto told Casolaro about the October Surprise, the Cabazon-Wackenhut joint venture, about Earl Brian, Robert Booth Nichols, John Philip Nichols, the late Michael Morasca, and a host of other people who Riconosciuto had claimed were involved in international arms dealing.

b) Riconosciuto's Allegations Regarding Peter Videnieks

Riconosciuto also claimed to have information about Inslaw's dispute with the Justice Department, although to this day it is not clear where Riconosciuto learned of the information. On March 21, 1991, Riconosciuto signed a sworn affidavit alleging that Peter Videnieks, a former Justice Department employee involved in administering the Inslaw contract, and a major target of Inslaw's accusations of conspiracy and illegality, had warned him in a February 1991 telephone call not to cooperate with the House Judiciary Committee's investigation of the Justice Department's dispute with Inslaw.

On March 29, 1991, eight days after he had signed the affidavit, Riconosciuto was arrested near Tacoma, Washington and charged in federal court with manufacturing methamphetamine. Riconosciuto's arrest so soon after he had signed the affidavit seemed suspicious to Casolaro, as well as to the House Judiciary Committee. It was suggested that the Justice Department might have ordered Riconosciuto arrested in retaliation for his allegations against Videnieks.

Following his arrest, Riconosciuto claimed to have a tape recording of his February 1991 telephone conversation with Videnieks. Riconosciuto said he threw the tape out of his car just before he was arrested. Casolaro flew to Tacoma to meet Riconosciuto and attempt to find the tape recording. Casolaro hoped that if he could find the tape recording containing Videnieks' alleged threats against Riconosciuto, he would be able to prove that the arrest was politically motivated. Casolaro thought he might be on the verge of exposing a major scandal.

In fact, there was no connection between the affidavit and Riconosciuto's arrest. Local authorities in Washington state had been investigating Riconosciuto, who had been operating a large methamphetamine laboratory, for months. The case was referred to federal authorities because Riconosciuto's prior narcotics conviction rendered him eligible for a lengthy federal prison term.

Casolaro and Judiciary Committee staffers tried to locate the tape recording Riconosciuto claimed to have tossed from his car. They (as well as the local police who had arrested Riconosciuto) searched the area near the spot where Riconosciuto had been arrested, but could not find the tape. The tape, if it existed, has never been found.

We seriously doubt the tape ever existed, or that Videnieks ever spoke to Riconosciuto. Our doubts are based in large part on the fact that a jury heard both Riconosciuto and Videnieks testify under oath several months after Riconosciuto's arrest.

~~The jury believed Videnieks.~~

The courtroom confrontation between Riconosciuto and Videnieks occurred at Riconosciuto's federal narcotics trial in early 1992, several months after Casolaro's death. Riconosciuto testified as a witness in his own behalf, and he repeated his earlier allegations about Videnieks' February 1991 phone call.

(United States v. Riconosciuto, CR 91-1034B, (W.D. Wa.) (Trial transcript, 1542-44, Jan. 14, 1992)). The government subpoenaed Videnieks to travel to Tacoma and appear as a rebuttal witness. Videnieks testified that he had worked as a contract specialist at the Justice Department from 1981 through September 1990. He testified that he had never spoken to Riconosciuto, and that every paragraph of Riconosciuto's March 21, 1991 affidavit was false. (Transcript, 1749-57, Jan. 15, 1992). Riconosciuto's lawyer cross-examined Videnieks in front of the jury for only a few minutes, and was unable to refute any of Videnieks' denials of Riconosciuto's allegations. (Id. at 1757-70; Jan. 15, 1992).

Riconosciuto was convicted and sentenced to 30 years in federal prison. The trial judge noted at Riconosciuto's sentencing hearing that Riconosciuto had shown "no real remorse" for his methamphetamine manufacturing activity, that Riconosciuto had a "loose connection with the truth," and that Riconosciuto did not know the difference between truth and fiction. (Transcript of Sentencing Hearing, May 7, 1992, 37-38).

The Ninth Circuit Court of Appeals affirmed Riconosciuto's conviction on October 27, 1993 in an unpublished memorandum
NW: 15457 DocId: 70002067 Page 124

20

opinion (No. 92-30200). Riconosciuto raised no issues in his appeal regarding Videnieks, Inslaw, or any other aspect of the conspiracy theories he had supplied to Casolaro.

Some people continue to claim, without any evidence, that Videnieks was involved in Casolaro's death. We interviewed Videnieks and are convinced by his denials. He also has an alibi -- he and his wife were out of town together from August 5 through August 11, 1991 at their cottage in Treadwell, New York. Videnieks' personnel records reflect that he was on leave from August 5-9, 1991. Videnieks also supplied a credit card receipt showing that he had made a purchase at a bookstore in Ondeaga, New York on August 9, 1991.

Riconosciuto has also claimed that Videnieks was connected to Earl Brian, thereby (according to Riconosciuto and others) making Videnieks more likely to have threatened Riconosciuto and to have been involved in Casolaro's death. According to Riconosciuto, his former girlfriend had a photograph of Videnieks and Earl Brian together at the Cabazon Indian Reservation, and had put the photograph into a storage locker for safekeeping. Federal investigators in Washington state located the former girlfriend at our request and went with her to the storage locker. No photographs were found. The former girlfriend said she had no idea who Peter Videnieks was.

36 CFR 1256.50 - Statutory Restrictions
FOIA(b)(3) - Fed. R. Crim. Pro. 6(e) - Grand Jury

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3. Robert Booth Nichols

Casolaro's phone records show that during the last few months of his life, he spent more time on the telephone with Robert Booth Nichols than anyone else. Booth Nichols is a self-styled "international businessman." Casolaro learned of him through Riconosciuto. Casolaro spent countless hours on the phone with Booth Nichols, discussing subjects ranging from arms trafficking to secret European societies such as the Italian Illuminati.

Casolaro first contacted Booth Nichols in the summer of 1990, after Riconosciuto had mentioned Booth Nichols as someone connected to international criminal activity and espionage. According to Booth Nichols, Casolaro talked to him frequently on the phone, using him as a "sounding board" for various theories and bits of information he had been receiving from other sources.

Booth Nichols also visited Casolaro in Washington, in the early summer of 1991. Casolaro picked Booth Nichols up at Dulles airport, and later took a friend to meet Booth Nichols for dinner at Clyde's restaurant in Tyson's Corner, Virginia. Casolaro introduced Booth Nichols to Wendy Weaver, Casolaro's girlfriend, the next day. Casolaro and Ms. Weaver spent most of that day with Booth Nichols, and ate together at a restaurant. Contrary to some published reports, Ms. Weaver told us that Booth Nichols did not punch, grab or beat up anyone in the bar, nor did he boast of any connections with organized crime.

Casolaro also appears to have discussed with Booth Nichols the possibility that Booth Nichols might buy Casolaro's house and acreage in Fairfax County. Casolaro had hired a real estate broker to market his property and noted on the back of the listing agreement (dated June 10, 1991, with the listing to expire on August 15, 1991) that the commission owed to the broker would be discounted if Booth Nichols bought the house.

Casolaro talked to a lot of his friends about Booth Nichols, describing him as a mysterious figure with connections to Japanese organized crime, the intelligence community, and
NW: 15457 DocId: 70002067 Page 127

international arms dealers. Casolaro told several friends that he had heard from other sources that Booth Nichols was dangerous, and that he had been involved in several murders. Casolaro spoke to other sources about Booth Nichols, including law enforcement sources, who unfortunately shared with Casolaro information they had heard about Booth Nichols (but which had never formed the basis for any criminal prosecution).

An article in the January 1993 issue of the now-defunct Spy Magazine suggests that Booth Nichols might have had Casolaro killed because he feared Casolaro was about to expose him as a someone who had years earlier offered to become an FBI informant against the mafia. We found no evidence supporting any of those assertions.

Notably, the Spy Magazine theory conflicts with theories offered by others about Casolaro's death. The Hamiltons, for example, released on February 14, 1994 an "Addendum" to their earlier "Analysis and Rebuttal" of Judge Bua's report. The Hamiltons now claim that Casolaro was murdered on the orders of the Justice Department's Nazi war crimes unit, the Office of Special Investigations (OSI). According to the Hamiltons, OSI is actually a front for a secret, covert Justice Department intelligence organization. According to the Hamiltons, Videnieks is an agent working for this organization, and he was involved in murdering Casolaro or arranging for his murder, because Casolaro was about to expose OSI's involvement in the Justice Department's supposed theft and worldwide dissemination of the Promis

software. We found no evidence supporting the Hamiltons' new theory. In any event, under the Hamiltons' theory, Booth Nichols had no involvement in Casolaro's death.

The Hamiltons are right about Booth Nichols -- he had nothing to do with Casolaro's death. Booth Nichols was in London when Casolaro died. There is no evidence suggesting he had anything to do with Casolaro's death.

Booth Nichols is, as best we can discern, a self-styled "international businessman." The FBI investigated him in the

late 1960's in Hawaii for draft evasion [can we say this?]. He applied to the CIA for a job in 1972, but was rejected [can we say this??]. Various reports have Nichols engaging in all sorts of shady schemes over the years, but he has not been formally accused of any wrongdoing. He has filed harassment-type lawsuits against an FBI agent in Los Angeles (check for Ninth Circuit opinion) and against the Los Angeles Police Department.

I am waiting for answers from FBI & CIA

Booth Nichols' lawsuit against the Los Angeles Police Department went to trial twice. The first trial ended in a mistrial. The second trial ended in a jury verdict against Booth Nichols and in favor of the police. Booth Nichols testified in both trials. In his testimony during the first trial, Booth Nichols stated under oath that he had been a member of the United States intelligence community for many years. (Booth Nichols v. City of Los Angeles, No. NCC 31322B, Trial Transcript, Mar. 11, 1993, 32 et seq.) No evidence supports that claim. Booth Nichols also testified that he had once "been instructed" to make

a bid to purchase the assets of the Summa Corporation in the late 1970s, following Howard Hughes' death. (Id. 141-51). The documents connected to that incident, however, reflect that Summa summarily rejected Booth Nichols' overtures.

4. Major Joseph Cuellar

Casolaro also met various sources on his own, sometimes by accident. One such source was an Army Reserve Major named Joseph Cuellar, who is attached to the United States Southern Command. Casolaro met Cuellar by chance at "The Sign of the Whale," an Arlington, Virginia restaurant/bar. Cuellar had gone to the bar one afternoon in May 1991, expecting to meet some friends who were going to celebrate his return from Operation Desert Storm.

Casolaro, who was already seated at the bar waiting for his friend Lynn Knowles, struck up a conversation with Cuellar. Cuellar talked of his exploits in the Army special forces, and Casolaro became fascinated. After Ms. Knowles arrived, she listened as Casolaro and Cuellar discussed Cuellar's knowledge of military issues. When Cuellar's friends arrived, Casolaro made arrangements to see Cuellar again.

Casolaro and Cuellar talked on the phone several times after they first met. They also saw each other two additional times. In addition, Cuellar started dating Ms. Knowles.

During one of his conversations with Cuellar, Casolaro asked about various individuals involved in the "Octopus" story. The only person Cuellar knew was Peter Videnieks. This intrigued Casolaro. Cuellar explained that he knew Videnieks because

Cuellar's former fiance had worked with Videnieks' wife in the Capitol Hill office of West Virginia Senator Robert Byrd. As best as we can tell, the fact that Cuellar knew Videnieks was not sinister; it was, at most, a coincidence. Both Cuellar and Videnieks told us that their relationship was social, that they had double-dated with their significant others a number of times, and that they saw less of each other after Cuellar broke up with his fiance.

Once he learned of Cuellar's relationship with Videnieks, Casolaro asked Cuellar repeatedly to arrange a meeting with Videnieks. Casolaro wanted to interview Videnieks about the "threat" allegations contained in Riconosciuto's March 1991 affidavit. Cuellar called Videnieks on Casolaro's behalf to try to arrange a meeting, but Videnieks refused.

Casolaro's notes reflect that he himself spoke with Videnieks on the phone, but that Videnieks refused to talk, referring Casolaro instead to his lawyer, Charles Ruff. Videnieks recalls receiving a phone call from a reporter whose name sounded like "Kessler," but told us it could have been "Casolaro." Videnieks said he has received hundreds of calls from reporters and others about Inslaw and Riconosciuto, and he cannot remember specifically whether he had ever spoken with Casolaro.

Cuellar recalled that Casolaro confided in him near the end of his life, expressing frustration that he had become so wrapped up in the "Octopus" story that he had lost his perspective and

NW: 15457 DocId: 70002067 Page 131

was unable to arrange the material into a cohesive story. Casolaro also confided in Cuellar that he was in financial distress, and that he was close to losing his house. (Casolaro was able to obtain a ninety-day extension for his balloon payment deadline, but that offered little relief given his lack of any prospects for success with the "Octopus" project.)

Cuellar and Ms. Knowles attended Casolaro's funeral. At Casolaro's funeral a person showed up in full military uniform. Casolaro's family did not recognize the person, and became suspicious. It has since been determined that the individual was an army veteran who had worked with Casolaro at Computer Age. He wore his uniform simply as a sign of respect to his friend.

After Casolaro died, Cuellar stopped dating Ms. Knowles. She told us that at one point, as their relationship was deteriorating, Cuellar made a veiled threat to her, stating that she was asking too many questions about Casolaro, that she had two children, and she wouldn't be doing them a favor if she were to wind up like Casolaro or like another journalist who had been killed in Guatemala. Cuellar denies making those statements to her.

Several people have suggested that Cuellar was somehow involved in Casolaro's death. We found no evidence supporting that hypothesis. On the day Casolaro died, August 10, 1991, Cuellar was in Washington, D.C., working on his "outprocessing" from Desert Storm, and his "in-processing" into the Southern Command. Several witnesses can verify that Cuellar was in

NW: 15457 DocId: 70002067 Page 132

Washington on August 10, 1991.

5. William Turner

Another source who Casolaro learned of through the Hamiltons was William Turner. Turner had been an employee of the Hughes Aircraft Corporation, and apparently had been fired. However, Turner was never a "whistleblower," as some have described him. Casolaro spoke with Turner on the phone, although much less frequently than with his other sources.

Turner lived in Winchester, Virginia, about 30 miles south of Martinsburg. There is no evidence, however, that Casolaro ever met Turner in person. Turner claims he met with Casolaro in the parking lot of Casolaro's hotel on Friday, August 9, 1991, the afternoon before Casolaro died. Turner has wavered about the exact time of the meeting, placing it anywhere between noon and 6:00 p.m. No one witnessed the meeting. Turner has claimed that Casolaro gave him some documents, although he has been wildly inconsistent about the amount of documents and whether they were contained in folders or envelopes. For example, Turner told the Martinsburg Police after Casolaro's death that Casolaro had given him during their supposed meeting in the parking lot a "stack" of documents approximately 18 inches high, and that Casolaro asked him to keep the documents in Turner's home safe. However, Turner told us that Casolaro had previously given him three sealed manila envelopes containing documents, and that during their supposed meeting in the parking Turner brought two of the packets to give to Casolaro, and that Turner kept the third packet in the

safe.

On September 13, 1991, five weeks after Casolaro's death, Turner pleaded guilty to one felony count of making a false statement in 1988 to the Veterans Administration. He was sentenced to sixty days in jail, followed by five years' probation.

On September 26, 1991, the local authorities in Winchester conducted a search of Turner's home, as he was a suspect in a bank robbery. Turner's safe was searched, but no documents were found except for Turner's passport and some gold coins. There were no Casolaro items anywhere in Turner's house. The police seized the tape from Turner's answering machine. The tape covers several weeks stretching back to August, 1991, although it is impossible to know the exact date of the first recording. In any event, none of the calls were from Casolaro. Most of the calls were from collection agencies.

Turner eventually moved to Knoxville, Tennessee, where he continued his status as a convicted felon on federal probation. On December 30, 1993, the Bureau of Alcohol, Tobacco and Firearms searched Turner's home pursuant to a warrant. They found 23 firearms inside, including several rifles and shotguns. Several of the firearms had no serial numbers. Turner is now facing probation revocation proceedings in Knoxville.

6. Charles Hayes

Another source with whom Casolaro spoke less frequently was Charles Hayes, a scrap dealer and ex-felon who lives in Nancy,
NW: 15457 DocId: 70002067 Page 134

Kentucky. Hayes had been prosecuted in 1970 by the United States Attorney's office in Lexington, Kentucky for firearms violations. Hayes pleaded guilty in that case on the morning of trial, and received a suspended sentence.

In 1990, the General Services Administration offered for sale certain outmoded word processing equipment from various government offices, including the United States Attorney's office in Lexington, Kentucky. The Lexington office hired a contractor to erase the computers before they were sold. Hayes, who was in the scrap business, was the highest bidder for the computers, and he took possession of them on August 3, 1990. Several days later, the contractor informed the United States Attorney's office that the process used to erase the computers might not have been successful. The government then sued Hayes, and obtained an order permitting it to seize the computers.

Hayes' dispute with the United States Attorney's office in Lexington was reported in the press, and the Hamiltons contacted him. Casolaro learned of Hayes through the Hamiltons, and contacted him a number of times by telephone.

After Casolaro's death, the Hamiltons provided Hayes' name and telephone number to the Martinsburg police. The police called Hayes. He told them that Peter Videnieks and Earl Bryan (who Hayes said was nicknamed "Cash"), had gone to the Sheraton in Martinsburg around the time of Casolaro's death, to play in a "high-stakes poker game, requiring \$10,000 minimum to sit at the table." The police found it hard to believe that gambling of

that magnitude could have been going on anywhere in Martinsburg without their knowledge. They checked the story anyhow, and found no evidence of any "high-stakes poker games" at the Sheraton or anywhere else in Martinsburg.

36 CFR 1256.50 - Statutory Restrictions
FOIA(b)(3) - Fed. R. Crim. Pro. 6(e) - Grand Jury

C. Efforts to Obtain a Book Contract

By the summer of 1990 Casolaro was seeking a literary agent to help him sell the "Octopus" story to a publisher. Casolaro asked his cousin, New York City psychologist and part-time author Dr. Louis Petrillo, to help him find an agent. In September, 1990, Dr. Petrillo arranged for Casolaro to meet Herb Karlitz, a New York City agent. Karlitz agreed to represent Casolaro in attempting to negotiate a book deal, including an advance that Casolaro could use to pay his bills and finance a worldwide research trip.

On November 2, 1990 Casolaro sent a letter to Karlitz, enclosing copies of various songs and poems he had written. Casolaro mentioned in the letter that he was now working on his investigation "exclusively," but that he was also looking for a
NW: 15457 DocId: 70002067 Page 136

paying job while waiting for an advance. Casolaro enclosed a resume that significantly overstated his prior professional accomplishments. He also enclosed a six-page treatment for the book he was hoping to publish, which he entitled, "Behold, A Pale Horse: A True Crime Narrative."

In the treatment, Casolaro wrote about the Cabazon Indian reservation in Southern California and its alleged connection to international arms dealing; the development of the fuel air explosive, the assassination of "super gun" inventor Gerald Bull; and the suicide bombing of the U.S. Marine barracks in Lebanon. Casolaro described his project as follows:

"An international cabal whose freelance services cover parochial political intrigue, espionage, sophisticated weapon technologies that include biotoxins, drug trafficking, money laundering and murder-for-hire has emerged from an isolated desert Indian reservation just north of Mexicali. . . . I propose a series of articles and a book, a true crime narrative, that unravels this web of thugs and thieves who roam the earth with their weapons and their murders, trading dope and dirty money for the secrets of the temple."

On the last page of the treatment, Casolaro proposed that "[t]he first three chapters of the manuscript should be finished within three months of an initial advance and each subsequent chapter will be delivered every month. The completed book should be ready for publication by the summer of 1991."

Karlitz began searching for a more experienced literary agent who could put together a combined book and television deal for Casolaro. Karlitz also asked Casolaro to sign a one-year "exclusive" representation agreement, under which Karlitz would

commission to any third parties, for any sales of "'Behold, A Pale Horse,' including without limitation phonograph recordings, video, television, motion pictures, radio, music publishing, songwriting, live performances, books, merchandising, lecture(s), seminar(s). . . ." The agreement was signed on March 14, 1991.

On December 10, 1990, Karlitz contacted Creative Artists' Agency (CAA), a major Hollywood talent agency, to see whether they would be interested in meeting Casolaro. Six days later CAA agent Melanie Ray flew to New York and met with Casolaro, Petrillo and Karlitz for brunch. Casolaro had two drinks before Ms. Ray arrived, and did not make a good impression on her. During the meeting, Casolaro said the "Octopus" project was his "shot at a piece of investigative journalism to put me on the map," and that he wanted to do something "to make my son proud of me." Ms. Ray said that CAA was not interested, but she offered to help find another literary agent for Casolaro.

Several days later Ms. Ray wrote to Karlitz, indicating that she had found another literary agent, Elizabeth Mackey, who was willing to read the "Pale Horse" treatment. In her letter to Karlitz, Ms. Ray also referred to Casolaro's behavior at the New York brunch in unflattering terms: "To expect 'cloak-and-dagger' and to get slapstick was quite scintillating."

During the next six months, according to Ms. Ray's records, Casolaro and Karlitz contacted both Ms. Ray and Ms. Mackey dozens of times to check the status of efforts to find a publisher and obtain an advance for Casolaro.

On April 20, 1991, after returning from his trip to see Riconosciuto, Casolaro wrote a letter to Karlitz. Casolaro enclosed another treatment, this time entitled "Update on the Pursuit of the Tape and the Jailing of Danger Man." In this treatment, Casolaro described his trip to Washington state, and how he had spent hours searching for the Videnieks-Riconosciuto "threat" tape. In his cover letter to Karlitz, Casolaro sounded in despair: "I must explain how much deeper in debt I am. Every month that goes by without income puts another \$4,500 or so on my liability just keeping my family and self alive. On top of that, my mortgage which is now up to \$300,000 is scheduled for final payment in September 1991."

On May 31, 1991, Ms. Mackey called Ms. Ray, and told her that she had decided not to represent Casolaro. Ms. Ray notified Karlitz of Ms. Mackey's decision. Several days later, Ms. Mackey telephoned Ms. Ray to see whether Ms. Ray could ask Karlitz to "keep Casolaro from calling her and pleading his case for representation now that she has turned him down."

Despite this failure, Karlitz tried to keep Casolaro's spirits up, writing to him on June 6, 1991 that "CAA has the best contacts for a book deal. And, they definitely have the clout to turn your work into a movie or TV production. . . . IT WILL HAPPEN."

In addition to the efforts to find a publisher through Ms. Ray and Ms. Mackey, Karlitz and Casolaro also contacted Time Warner, and its subsidiary, Little, Brown & Co. On December 17,
NW: 15457 DocId: 70002067 Page 139

1990, Karlitz, Petrillo and Casolaro met with Kelso Sutton of Time Warner and Roger Donald of Little, Brown. Mr. Donald looked at Casolaro's materials, and said "no." Mr. Donald suggested that Time Warner's magazine division might be interested, but that Casolaro would have to work with a Time Magazine staff writer to develop the story. Casolaro refused. He wanted to do the project as a book, and he wanted to do it by himself.

Casolaro called Mr. Donald again approximately three weeks before his death. Casolaro asked Mr. Donald to review some "new material." Casolaro faxed the material to Mr. Donald, who reviewed it and was not impressed. Casolaro contacted Mr. Donald again several days before his death, and Mr. Donald again told him that Time Warner and Little, Brown were not interested in publishing Casolaro's "Octopus" project, or in paying Casolaro an advance.

Casolaro never had any chance of finding a publisher for his work. Mr. Donald, for example, told the Martinsburg police, when they contacted him after Casolaro's death, that Casolaro's work was "amateur," and that it reflected simply a rehash of material commonly available in newspaper and magazine articles. Ms. Ray and Ms. Mackey likewise were unimpressed with Casolaro's work. Casolaro grew quite frustrated with his inability to secure a publisher or obtain an advance.

V. Casolaro's Final Days

A. Casolaro's State of Mind During 1991

In early 1991 some of Casolaro's friends noticed that he had become "obsessed" and "all consumed" with the "Octopus" story. Casolaro's two closest friends, Wendy Weaver and Ann Klenk, both report that he was completely immersed in the story. They both told us that Casolaro slept and ate very little during the final months of his life.

Jim Pittaway, who had known Casolaro for several years, told us that beginning in February 1991, Casolaro slipped into a "fantasy land" of conspiracy and intrigue, fed by the "pathological liars" who had been giving him information, and that Casolaro's obsession with the story worsened as the months progressed. Other friends say that Casolaro was "losing his grip" on reality. He slept and ate little.

Casolaro frequently spoke with various friends and acquaintances about his work, seeking their input about his theories and bouncing ideas off them. Ann Klenk says his voice seemed constantly hoarse. Dr. Petrillo and Ann Klenk both told us that Casolaro was absorbing huge amounts of information; so much so that he was having trouble organizing it in his mind. He told Ann Klenk that he was becoming frustrated at his inability to organize his thoughts and reduce his ideas to writing. Wendy Weaver and Ann Klenk report that he was "disappointed" and "hurt" at his failure to secure a publisher or to obtain an advance.

try to break the project into smaller, more manageable bits, and to try publishing it piecemeal, perhaps as a series of newspaper or magazine articles rather than as a book.

Not all of Casolaro's friends considered him to have been depressed or emotionally upset. Ben Mason and Wendy Weaver, for example, report that Casolaro appeared enthusiastic about the "Octopus" project, and insist that he continued to be generally upbeat and happy. Casolaro's family members also discount the reports that he was distressed by his financial obligations, noting that his family had always helped him financially, and that he knew he could rely on his family's financial support as an emotional "safety net." However, the vast majority of Casolaro's closest acquaintances viewed him as increasingly depressed and despondent.

Casolaro's behavior during the final weeks of his life became increasingly erratic. For example, he told many people that he had been receiving death threats over the phone. Olga Mokros told us that she was in Casolaro's house on the Monday before Casolaro died, that she answered the phone, and that the caller uttered a death threat. She could not recall any other specific occasions on which Casolaro received such a call, even though she was at his house nearly every day. Her husband George, who also frequently visited Casolaro's house, could not recall ever receiving a threatening call. When Jim Pittaway suggested that Casolaro contact the phone company so the calls could be traced, Casolaro quickly changed the subject.

Casolaro also told many people that he was working on a "dangerous" story, and that he had to send his younger brother John away from his house because of the danger to which Casolaro was exposing him. At the same time, however, Casolaro exposed all his friends to the same "danger" by sharing the details of the "Octopus" story. Casolaro also made exaggerated claims about the status of his efforts to secure a publisher, particularly during the last days of his life. He told several people, including an FBI agent in Los Angeles, Thomas Gates, whom he had called several days before his death to ask about Booth Nichols, that he had made a book deal with a publisher, when in fact there never was any kind of deal.

Casolaro seemed to fantasize about what he would do when his advance arrived, and at one point drew up a lengthy guest list for a "roast pig summer party" he would throw, "when advance comes." Jim Pittaway told us that Casolaro "became less connected with real life, and more and more engaged in weird stuff and living in a fantasy world, so that he was losing his grip and becoming quite depressed."

Several of Casolaro's closest friends told us they now believe, with the benefit of hindsight, that Casolaro invented the threatening phone calls and the other "dangers" involved in his work so that people would believe, after he committed suicide, that he might have been murdered. Jim Pittaway told us that he thinks Casolaro committed suicide, and that he "shrouded his death in mystery" so that his conspiracy theories would

NW: 15457 DocId: 70002067 Page 143

outlive him. Lillian Pittaway, Jim Pittaway's wife, described Casolaro as self-destructive. Zoe Gabrielle Milroy, a close friend of Casolaro's for fourteen years, believes that Casolaro "perpetrated this conspiracy theory" to make his death seem mysterious, to ease the pain his family would suffer from an outright suicide. Pete Kennedy, a guitarist and friend of Casolaro's shares Ms. Milroy's view that Casolaro wanted everyone to think he was in danger, so that his death would appear mysterious. Ms. Milroy also discounts the views of those who say Casolaro was not depressed, noting that he was a "consummate actor" who could be "laughing on the outside, but very hurting on the inside." Ann Weinfield, the nurse, told us that Casolaro "seemed unable to carry on a lucid conversation."

B. The "Octopus" Treatment

On July 22, 1991, Casolaro faxed to Karlitz his final treatment, along with a cover letter. The 3-1/2 page treatment is entitled "The Octopus." Casolaro attached to the treatment a two-page list of 51 individuals and groups comprising a "Cast of Characters." The treatment surveys various scandals and other international events of the late 20th century. Casolaro typed the treatment on a manual typewriter (he did not use a computer) in the basement office of his house, just as he had done with the November 1990 "Behold, A Pale Horse" and the April 1991 "Dangerman" treatments. The cover letter to the New York agent reflects Casolaro's increasingly desperate financial condition:

Dear Herb:

I have purposefully left out some names in the CAST OF CHARACTERS for two separate reasons. I will tell you those names and the reasons when we talk.

This is my final week for these marathon hours over the last 12 months. Encountering this odyssey, meeting it with my whole life, is to grapple with something personal since I've risked everything. By Friday, I have to come up with about \$5000 just to cover my mortgage payment and my real estate taxes and in September I'll be looking into the face of an oncoming train. Father, what will I do?

Still, I feel the happiness that an eskimo must feel when he comes across fresh bear tracks when he's ahead of all the other sledges. It's just the way it has happened.

C. Drinking Problems

Casolaro's friends all acknowledge that he was a "social drinker," which, according to Wendy Weaver, meant he would get drunk "only" two to three times per week. Although some of his friends, such as Wendy Weaver and Lillian Pittaway, noticed that he seemed to be drinking more heavily, Casolaro's family and friends to this day insist -- almost uniformly -- that he was not a "heavy" drinker, and that he certainly was not an alcoholic.

We discovered evidence to the contrary. Casolaro's neighbors, Olga and George Mokros, showed us a 1986 appointment book that Casolaro had thrown in the trash sometime during 1991. George noticed that the book appeared unused, and asked Casolaro if he could keep it for scratch paper. The appointment book is almost entirely blank, except for a few pages containing Casolaro's handwriting. On one of those pages Casolaro wrote the following (we were unable to determine when Casolaro actually
NW: 15457 DocId: 70002067 Page 145

made these entries):

"The real cause of alcoholism is the complete baffling sterility of existence as if sold to you. There is no solution in this contemporary world of bogus solutions. Ultimately, there is this great sin of pride in me. Adventure is the key to civilization. The highest achievement of man is a program for discontent. The terms of the adventure may be summed up in Faust's wager with the devil: 'If ever time should flow so calmly on, soothing my spirits in such oblivion, that in the pleasant trance I would arrest, and hail the happy moment in its course, bidding it linger with me, then willingly do I perish.'"

On another page in the appointment book, Casolaro wrote these words:

"I drank too much last night so part of the day was wasted on me. I wonder if the root of my drinking is loneliness -- for true companionship. Still, I think my drinking is only incidental to a more real and pressing tragedy. I have been shattered -- personally -- and impersonally. . . . I know I can provide a representative expression of a breakdown which affects other people on levels [sic] which they may be scarcely conscious. Drunk but collected, coherent, a little impatient, I have drunk myself sober. I refuse to be a hero. My deepest truth is my isolation. I reject love to protect it. 'No se puede vivir sin amar.' There is no excuse for not loving."

D. Physical Problems and Casolaro's Concerns About Multiple Sclerosis

During June and July 1991 some of Casolaro's friends noticed that he seemed to be having certain physical problems. Ann Klenk noted that Casolaro experienced some sort of motor difficulty with his right hand, and had trouble opening a window in her house. On another occasion Casolaro, who was in apparently good physical shape, had trouble finishing a friendly volleyball game. On another occasion he was too exhausted to help his friend Bill Webster paint his house. Casolaro also complained on separate

occasions to both Wendy Weaver and Ann Klenk about vision trouble. He began borrowing Wendy Weaver's eyeglasses for reading, and reduced his night driving. Wendy observed that Casolaro also seemed to have weakness in his limbs, and that he could not perform various simple tasks around the house.

The autopsy conducted after Casolaro's death revealed that he had been suffering from multiple sclerosis. The disease had not been diagnosed before Casolaro died; indeed, Casolaro's last visit to a doctor was about 18 months before he died, when he needed emergency treatment after accidentally dropping a barbell on his head. While there is no direct evidence that Casolaro knew he had the disease, he did approach a Ann Weinfield, a long-time friend and nurse several months before he died, and asked her about "research" he was conducting into "slow acting viruses," including multiple sclerosis. Casolaro specifically asked Mrs. Weinfield about the symptoms and consequences of contracting multiple sclerosis. The fact that Casolaro asked her about the disease, combined with the multiple physical manifestations witnessed by several of his closest friends, suggests strongly that he was at least worried that he might have had multiple sclerosis.

E. Possible Pre-Suicidal Behavior

Beginning in the Spring of 1991, Casolaro made several references to ending his own life. He confided to Ann Klenk several weeks before he died that he was "having trouble thinking." He told Ms. Klenk, with a tinge of sarcasm, that "if

NW: 15457 DocId: 70002067 Page 147

I ever couldn't think I'd kill myself."

Several days before his death he showed Zoe Gabrielle Milroy a letter that he had written to Trey, in which he imparted what appeared to be "heavy" fatherly advice. Ms. Milroy confronted Casolaro directly about whether the letter was a suicide note, and Casolaro quickly changed the subject.

Three or four days before his death, Casolaro's neighbor, Olga Mokros, came to his house. She worked as a housekeeper for Casolaro, and usually worked at his house every day. Olga helped Casolaro pack a suitcase, as he told her he was going on a trip. Olga asked if she should prepare the house for Trey, who was expected on a visit from Colorado in two weeks. Casolaro told Olga that he "would not see Trey" anymore. He then took Olga into his basement office, and showed her where he kept his will.

In addition to his statements indicating a suicidal mentality, Casolaro also exhibited certain other behavior that may have been suicidal. For example, in approximately May 1991, Casolaro was housesitting for his friend Bill Webster. At 5:00 in the morning, Casolaro called Ann Klenk, and told her he had hurt himself. He said he had "spent the night on the roof" of Webster's house, and that he had fallen off the roof and hurt his leg. Several days later, however, Webster called Ann Klenk, and told her he had found a broken ceramic object and some bloody towels in his basement.

During Casolaro's autopsy the medical examiner found a long, "old," or healed, scar on the inside of Casolaro's right leg.

The medical examiner told us that if Casolaro had cut himself in May the scar would have healed, and thus would have been described for pathological purposes as "old," by August. The medical examiner noted that the scar was close to the femoral canal and femoral vein in the leg, and that if the vein had been severed, death would have resulted quickly. The medical examiner told us that the scar could have been self-inflicted, given the angle of the cut.

Ann Klenk also report that earlier in 1991 he had a mysterious auto accident, in which his car went off the side of the highway. Casolaro told his Ann Klenk and Wendy Weaver that he thought he had been forced off the road, but he did not want to report the incident to the police or to seek medical treatment. We were unable to learn enough about this incident to determine whether it was a legitimate accident, a staged suicide attempt, or a homicide attempt. Given the other information we have learned about Casolaro, however, we seriously doubt the latter possibility.

F. The Final Week

Casolaro's last few days provide a sad portrait of a person ~~on the road to suicide~~. Following is a reconstruction of the final week of Casolaro's life.

Monday, August 5, 1991

On Monday, August 5, Casolaro saw his brother Tony during the day. Tony told Casolaro he looked tired. Later that day,

Ann Klenk saw Casolaro's car parked outside a bar at a local
NW: 15457 DocId: 70002067 Page 149

shopping center. Ms. Klenk went inside, and saw Casolaro, head slumped down, sitting at the bar. Casolaro "looked terrible." Casolaro looked at Ms. Klenk and said, in a tone of disgust, "I just broke Inslaw. Bill Hamilton's going to be real excited." Casolaro then told Ms. Klenk, "you can have the story, and if you don't want it, you can give it to Jack Anderson." (Ms. Klenk had once worked as a reporter for syndicated columnist Jack Anderson). Casolaro told Ms. Klenk he had "just gotten back" from West Virginia, and that he was going back again.

Ms. Klenk was worried about Casolaro. She said that his mood was not what one would expect of a journalist who had just broken a big story. She ordered a pizza for him, begged him to eat something, and left.

Tuesday, August 6, 1991

On Tuesday, August 6, Casolaro spoke to Ms. Klenk, and discussed the "Octopus" treatment he had sent to Karlitz two weeks earlier. Casolaro also had two phone calls that day with John Elvin, a journalist friend in Annapolis. Casolaro asked Elvin during those two calls to review the "stuff" Casolaro had sent him. Casolaro mentioned that he was going to West Virginia, and said that he would call Elvin when he returned.

Casolaro also called Jim Pittaway that day, and said he was going to West Virginia to meet someone, but that he did not know that person's identity. This was also the day that Casolaro showed his will to his neighbor Olga Mokros, and remarked to her that he "would not see Trey again." That evening Casolaro had

dinner at the home Larry Stich, a former IBM attorney he had known for several years. Stich told us that Casolaro did not seem depressed, but also said that Casolaro was very good at concealing his true feelings. Casolaro told Stich that evening that he was going to meet with "somebody" regarding his book project.

Wednesday, August 7, 1991

On Wednesday, August 7, Ben Mason, a close friend and drinking buddy, came to Casolaro's house to visit. Mason reports that Casolaro was in an "exuberant" mood that day. Casolaro showed Mason some papers in his basement office. Casolaro told Mason that the papers were in a specific order and not to mix them. Mason recalls seeing a photocopy of a passport photo of a young man named "Ibrahim."

While Mason was still there, Casolaro received a call from Ann Weinfield and her husband. They were leaving Washington to spend a few days at their beach house, and they customarily called Casolaro to say goodbye whenever they left town. Both Mrs. Weinfield and her husband spoke with Casolaro. They both "distinctly recall" that during the conversation Mrs. Weinfield told her husband that something was "definitely wrong" with Casolaro. Mrs. Weinfield told us that Casolaro rambled incoherently and seemed to have lost touch with reality.

Casolaro also spoke with his cousin, Dr. Petrillo that day. In a letter written ten days later (August 17, 1991), Dr. Petrillo indicated that Casolaro sounded "enthusiastic" on the

phone, saying that he was "looking forward to meeting with a 'source.'" Dr. Petrillo noted in that letter that he had spoken frequently with Casolaro during the months before his death, and that, in his judgment, Casolaro had not manifested "any symptoms or character traits . . . that could, in any way be associated with a potential for suicide."

We spoke with Dr. Petrillo more recently. He recalled his August 7, 1991 telephone call with Casolaro. Casolaro did not tell him during that phone call that he was going to West Virginia, nor did he identify the source that he was going to meet. With the benefit of hindsight, Dr. Petrillo now believes that Casolaro could very well have committed suicide. He stated that he was prepared to change the conclusions expressed in his August 17, 1991 letter based on what he now knew about the physical evidence and other circumstances surrounding Casolaro's death.

Casolaro and Mason went out for the evening. Casolaro met a woman while they were at a hotel bar. At 2:00 a.m., after dropping Mason, Casolaro returned to the hotel, and called the woman he had just met from the lobby phone to see if she would invite him to her room. She rejected Casolaro, and he returned home. At 6:00 a.m., Casolaro called Mason, who he had just dropped off four hours earlier, and told him of his failed attempt to rejoin the woman at the hotel. Casolaro laughed off the incident, and told Mason that he was going to West Virginia "to see the guys."

Thursday, August 8, 1991

On Thursday, August 8 Casolaro went to his insurance agent's office and paid the premium for his homeowner's insurance. While he was at his agent's office, Casolaro called Danielle Stallings, his friend and real estate agent. She recalls overhearing Casolaro asking people in the insurance agent's office for directions to West Virginia. She also recalls that Casolaro mentioned that he wanted her to arrange a meeting for the following week with an acquaintance of hers whose mother-in-law was knowledgeable about the Phillipines.

Casolaro then drove to Martinsburg, West Virginia, and checked into the Sheraton Inn just off Interstate 81. The desk clerk, James Lopez, recalled that Casolaro had checked in between 1:00 and 2:00 p.m. Casolaro had a reservation, and gave Lopez a credit card. Lopez gave Casolaro one key to Room 517. Casolaro told Lopez that he was not going to open the room right away because he was late for an appointment at the Stone Crab Inn, a restaurant/bar not far from the Sheraton. Lopez thought Casolaro had an old, "beat up" brief case with him, but he was not sure.

The bartender working at the Stone Crab Inn that day, Tom Haches, recalls that Casolaro arrived at about 12:30 p.m. (Although this is inconsistent with Lopez's recollection that Casolaro checked into the hotel between 1:00 and 2:00, and then went to the Stone Crab Inn, we find the discrepancy insignificant.) Haches, who had previously worked at the Sheraton Inn, recognized Casolaro from a prior visit Casolaro had

made to Martinsburg about a year earlier. Casolaro told Haches that he was going to be meeting with "some Arabs" at about 1:00 p.m. No one arrived. At about 1:20 p.m. Casolaro asked Haches for four quarters. Casolaro went outside and returned a few minutes later. There are both cigarette machines and a public phone outside the Stone Crab Inn.

Casolaro had a bottle of wine and a draft beer that afternoon at the Stone Crab Inn. Casolaro talked with another man at the bar about a vineyard the man owned. Casolaro charged twenty dollars' worth of drinks and tabs on his Mastercard while at the Stone Crab Inn that afternoon.

Casolaro left the Stone Crab Inn at about 3:30, telling Haches he wanted to go back to his hotel to check for messages, and that he might be back later for the happy hour. However, Casolaro apparently went directly to a Pizza Hut restaurant located near the Sheraton, because the waitress working there, a college student named Laura Miller, positively identified him as having arrived at about 3:30. Miller said that Casolaro ordered a pitcher of beer and a small pizza. Casolaro drank the entire pitcher of beer but ate only one or two pieces of the pizza. Casolaro left the Pizza Hut at about 4:00.

Casolaro was next seen at Heatherfield's lounge, located inside the Sheraton Inn. At this point there is a discrepancy. The bartender, a woman named Lynn Hitrick, who had previously served Casolaro on his prior visits to Martinsburg, recalled that Casolaro walked into the bar between 5:30 and 6:00. Hitrick
NW: 15457 DocId: 70002067 Page 154

recalled that Casolaro drank beer by himself until about 6:30, when another hotel guest, Michael Looney, a 3-M employee from St. Paul, Minnesota, who was staying in Room 519, sat down at the bar and began talking to Casolaro. Hitrick remembered that Casolaro started drinking bottled beer, but then switched later to draft beer after learning that it was cheaper. Casolaro talked to Looney until about 11:30, when the bar closed. Hitrick did not see Casolaro talking with anyone else that night.

However, the barmaid, Kim Waters, told a different story. The police originally met her by chance, when they went to the home of one of the Sheraton desk clerks to interview him three days after Casolaro's death. She happened to be at the desk clerk's home. The police showed her Casolaro's photograph. She said she remembered seeing him in the bar, but could not remember anything else. Later that day she recontacted the police, saying she had now remembered that Casolaro had arrived at the bar at about 5:10 p.m., and that he sat at a table with another man whom she described as "dark skinned, like maybe Iranian or Arabian." Ms. Waters recalled that both men were drinking draft beer, and that the "Iranian or Arabian" man was drinking very fast, and was very insistent that the barmaid serve him quickly. She claimed to have served four beers each to Casolaro and the other man. She said the other man paid for all the beers in cash. Three days later, Ms. Waters helped the police prepare a composite drawing of the "Iranian or Arabian" person.

No one has been able to determine who the "Iranian or
NW: 15457 DocId: 70002067 Page 155

"Arabian" person was, if indeed there was such a person. Ms. Waters' recollection conflicts with the MS. Hitrick's recollection in several important respects. The most important conflicts are with Ms. Hitrick's recollections that (1) Casolaro came into the bar alone; (2) he sat at the bar, not at a table; (3) he started drinking bottled beer, not draft beer; and (4) he spoke with only one person the entire evening.

Ms. Hitrick's recollection is corroborated by Looney's recollection. Looney recalled meeting Casolaro for the first time near the ice machine down the hall from their fifth floor rooms, sometime between 5:00 and 6:00 p.m. A short while later he went down to the bar, saw Casolaro drinking, and joined him. They spent the rest of the evening talking. Casolaro told him all about the "Octopus" project. Casolaro also said he was waiting to meet "some Arabs." Looney recalled that Casolaro acted agitated when the "Arabs" failed to show.

It would have made little sense for Casolaro to tell someone he was waiting to meet some Arabs, if he supposedly had just finished a meeting with an "Iranian or Arab." Based on the discrepancies between Ms. Hitrick's and Ms. Waters' recollections, based on Ms. Hitrick's more reliable recollection, and based on Looney's corroboration of Ms. Hitrick's recollection, it appears that Ms. Waters' recollection of Casolaro meeting with an "Iranian or Arab" was mistaken.

Casolaro left the bar at around 11:30 p.m. and returned to his room. Both Ms. Hitrick and Looney recalled that Casolaro was

NW: 15457 DocId: 70002067 Page 156

drunk when he left.

Friday, August 9, 1991

The next day, Friday, August 9, 1991, Casolaro went to the front desk at the Sheraton at about 12:00 p.m. and told the Lopez that he would be staying one more night. At about 1:30 p.m. a hotel maid, Barbara Bettinger, spoke with Casolaro outside his door. Casolaro asked whether the maids could clean his room right then because he had work to do. Another maid, Roxanne Willis, went inside the room and cleaned while Casolaro waited outside. Ms. Willis noticed a bottle of wine on the lamp table. It appeared to Ms. Willis that Casolaro had slept underneath the bedspread, but on top of the blanket.

Casolaro was next seen at the Stone Crab Inn at about 2:30. He drank beer until about 5:30. According to the bartender, Pamela Henry, Casolaro seemed depressed and lonely, and acted as if he wanted to talk to someone. He bought five beers, one shrimp cocktail, and one crabcake sandwich, and paid \$23.56 (including tips) with his credit card. The bartender who worked the 6:00 p.m. to 1:00 a.m. shift at the Stone Crab Inn (Raelene Cook) did not see anyone matching Casolaro's description in the bar during her shift that night.

After leaving the Stone Crab Inn, Casolaro placed a collect call to his mother's house in Fairfax County at about 6:00 p.m. Casolaro's family had planned a birthday party for Casolaro's niece that evening. Casolaro spoke with his mother, and told her he would be late for the party, if he made it at all.

At 7:00 p.m., a group of people from Pennsylvania, who had traveled to Martinsburg for a soccer tournament that weekend, checked into Room 515 (on the other side of Casolaro's room), and into rooms 514 and 516, across the hall from Casolaro's room. At about 9:00 p.m., Mary Lehnert, one of the occupants of Room 515, saw someone matching Casolaro's general description enter Room 517 with a key. She did not see the person's face, as his back was to her. He was carrying a brown paper bag.

Shortly after midnight, Casolaro walked to the Sheetz convenience store across the parking lot from the Sheraton. He asked for coffee, and the clerk, Cindy Noll, brewed a fresh pot for him. Ms. Noll gave Casolaro a medium coffee, and did not charge him because he had to wait for the pot to brew. Both the Ms. Noll and another witness in the store at that time, Diane Small, report that Casolaro seemed relaxed, and that he made small talk with them both. When Casolaro left they saw him walk back toward the Sheraton.

The above account of Casolaro's movements on Friday, August 9 is not complete. We have not been able to pinpoint Casolaro's whereabouts during the period between noon and 1:30, nor for the period between 6:00 and 9:00 p.m. The most likely explanation is that he was in his hotel room during those times. There have been suggestions that at some point during the afternoon on August 9 Casolaro met with William Turner, but as discussed above, there is no evidence supporting Turner's claim that such a meeting in fact occurred.

VI. Casolaro's Death

A. Discovery of the Body

The occupants of Rooms 514, 515, 516 and 519 were in their rooms all night on August 9-10. No one heard any unusual noises coming from Room 517, Casolaro's room. The next morning, Saturday August 10, no one saw or heard any unusual activity around Casolaro's room. No one was seen entering or leaving Casolaro's room.

Casolaro was supposed to have checked out by 12:00 p.m. At about 12:59 p.m., Sharon Palmer, the maid assigned to cleaning the fifth floor, used her passkey to enter Casolaro's room, after first knocking and getting no answer. She noticed the bathroom door was halfway open. She looked inside and saw blood on the floor and blood on a towel. She did not go inside the bathroom, but left and called for help. Another maid, Linda Williams, arrived and saw the blood on the bathroom floor, but did not enter the bathroom. Linda left and returned with hotel employees Barbara Bettinger, David Avella, Sandy Bogert, and Eric Weidman. Avella called the police.

Within five minutes of Ms. Palmer's discovery of Casolaro's body, Patrolman Macher of the Martinsburg City Police Department arrived. He ordered all the hotel employees who had just been inside the room to go the hotel manager's office and wait to be interviewed by other officers. Then the patrolman went inside Casolaro's room. Within minutes, Martinsburg Police Captain Ted Anderson, Detective John McMillen, two other patrolmen, and the

NW: 15457 DocId: 70002067 Page 159



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

October 15, 1993

MEMORANDUM FOR THE ATTORNEY GENERAL

From: John C. Dwyer
Assistant Associate Attorney General

Subject: October 18, 1993 Meeting with Casolaro Family

Purpose of the Meeting

Dr. Anthony Casolaro requested the meeting to discuss the unusual circumstances surrounding the death of his brother, Joseph Daniel "Danny" Casolaro, in 1991 and its relation to the INSLAW matter. Because of the large amount of publicity the death has generated and the concerns raised about the death by the Committee on the Judiciary of the House of Representatives, the Associate Attorney General and I recommended that the meeting take place.

Participants

In addition to the Associate and myself, the following individuals are expected to attend the meeting:

Dr. Anthony Casolaro -- Danny Casolaro's brother.

Frances Casolaro -- Danny Casolaro's mother.

Ann Klenk -- A long-time friend of Danny Casolaro's.

Ms. Klenk is also a television producer and a journalist. She has never written about INSLAW, promises that the meeting is off the record, and assures us that she is attending the meeting solely in her role as a close family friend.

Background

On August 10, 1991, Danny Casolaro was found dead in the bathtub of a motel in Martinsburg, West Virginia. Casolaro, a freelance journalist, had spent the previous 14 months on a self-financed investigation of the allegations raised by INSLAW and its owners, Bill and Nancy Hamilton, about misconduct by DOJ employees. He had developed a theory -- which he referred to as his "octopus" theory -- which linked several alleged conspiracies from the 1980s, including the October Surprise (the delay of the release of American hostages from Iran until after the election of Ronald Reagan), BCCI, the Iran-Contra affair and INSLAW. It

is generally accepted that he was in West Virginia to meet with an unnamed source concerning this investigation.

There are several factors indicating that the death was, in fact, a suicide as initially determined by the Martinsburg police department, including the following: both of Casolaro's wrists were slashed; there was a suicide note in Casolaro's handwriting found in the room; there was no sign of forced entry into the room; and there was no sign of a struggle in the room. Various tests and analyses of the physical evidence found at the site corroborate this conclusion. In addition, several motivations for suicide appear plausible. One theory focuses on the fact that Casolaro was having financial trouble and, shortly before his death, had been told that a publisher would not advance him any funds for his book. Another theory suggests that Casolaro was despondent over having learned that he was suffering from multiple sclerosis (the autopsy revealed the condition).

However, there are some peculiar aspects of the investigation and the evidence that have created significant doubt in the minds of many as to the cause of death. First, no documents relating to Casolaro's INSLAW investigation were found in the room. Second, shortly before his death, Casolaro had told several friends (including Ms. Klenk and FBI Special Agent Thomas Gates) that he was in the process of "breaking" the INSLAW case and that he was concerned about his own safety. Third, the wounds to Casolaro's wrists included 12 slashes, some of which were deep enough to cut tendons. There were two features of the police investigation that added fuel to the speculation: (1) Casolaro's body was embalmed before his family had been notified of the death and, thus, before they could alert authorities to the possibility of foul play; and (2) the local police force may have failed -- this is disputed -- to seal the room after the body was discovered.

After being informed of the nature of Casolaro's investigation of INSLAW, the local police expanded their investigation of his death. On January 25, 1992, they issued a press release confirming their earlier conclusion that the cause of death was suicide.

In September 1993, a West Virginia court dismissed a lawsuit brought by Casolaro's family against the city of Martinsburg for negligence in their police investigation.

Other Investigations

In its September 1992 report The INSLAW Affair, the House of Representatives Committee on the Judiciary concluded that further investigation into the circumstances surrounding Casolaro's death was warranted. Judge Nicholas Bua, in his report to the Attorney General, concluded that "Mr. Casolaro's death was fully and fairly investigated and that the conclusion of the local

authorities that his death was a suicide was amply supported by the facts."

Further Investigation

As part of the review of Judge Bua's report, the Associate Attorney General has decided to arrange for a federal prosecutor to review the Martinsburg police records to determine whether any further investigation is warranted. The prosecutor has not yet been selected.



U.S. Department of Justice

*United States Attorney
Central District of Illinois*

October 8, 1992

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Nicholas J. Bua
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Dear Judge Bua:

I see by his letter dated October 5, 1992, that Mr. Hamilton doubts the genuineness of our investigation. I am less offended by the substance of the remark (which was predictable) than I am by its timing. We may never discover the "truth" as Mr. Hamilton sees it, but it is certainly premature for anyone to suggest that we aren't trying to get at the truth.

I advised Tom Durkin that I skimmed the Casolaro materials. Because my review was only cursory, I did not conclude that Casolaro committed suicide. Nevertheless, even a cursory review of the materials reveals certain indisputable findings that strongly support such a conclusion. I am influenced especially by the note, the blood splatters, the absence of any struggle, the fact that Casolaro's clothes were removed before his death, his indebtedness and his possession of two shoe strings that apparently had been removed from tennis shoes that were found in his home in Virginia. To conclude that Casolaro was killed by another person requires some highly creative theorizing. I have yet to devise a homicide theory that reasonably accounts for the shoe laces.

I suggest that we not further investigate Casolaro's death, but simply report to the Attorney General that we reviewed the police investigation and are satisfied that the investigation was sufficient and that the conclusion of suicide is reasonable based on the information we reviewed.

Very truly yours,

Joseph H. Hartzler
Assistant United States Attorney

cc: Thomas M. Durkin
First Assistant United States Attorney

NW: 15457 DocId: 70002067 Page 163



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October 15, 1993

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Assistant Associate Attorney General

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On August 10, 1991, Danny Casolaro was found dead in the bathtub of a motel in Martinsburg, West Virginia. Casolaro, a freelance journalist, had spent the previous 14 months on a self-financed investigation of the allegations raised by INSLAW and its owners, Bill and Nancy Hamilton, about misconduct by DOJ employees. He had developed a theory -- which he referred to as his "octopus" theory -- which linked several alleged conspiracies from the 1980s, including the October Surprise (the delay of the release of American hostages from Iran until after the election of Ronald Reagan), the Iran-Contra affair and INSLAW. It

is generally accepted that he was in West Virginia to meet with an unnamed source concerning this investigation.

There are several factors indicating that the death was, in fact, a suicide as initially determined by the Martinsburg police department, including the following: both of Casolaro's wrists were slashed; there was a suicide note in Casolaro's handwriting found in the room; there was no sign of forced entry into the room; and there was no sign of a struggle in the room. Various tests and analyses of the physical evidence found at the site corroborate this conclusion. In addition, several motivations for suicide appear plausible. One theory focuses on the fact that Casolaro was having financial trouble and, shortly before his death, had been told that a publisher would not advance him any funds for his book. Another theory suggests that Casolaro was despondent over having learned that he was suffering from multiple sclerosis (the autopsy revealed the condition).

However, there are some peculiar aspects of the investigation and the evidence that have created significant doubt in the minds of many as to the cause of death. First, no documents relating to Casolaro's INSLAW investigation were found in the room. Second, shortly before his death, Casolaro had told several friends (including Ms. Klenk and FBI Special Agent Thomas Gates) that he was in the process of "breaking" the INSLAW case and that he was concerned about his own safety. Third, the wounds to Casolaro's wrists included 12 slashes, some of which were deep enough to cut tendons. There were two features of the police investigation that added fuel to the speculation: (1) Casolaro's body was embalmed before his family had been notified of the death and, thus, before they could alert authorities to the possibility of foul play; and (2) the local police force may have failed -- this is disputed -- to seal the room after the body was discovered.

After being informed of the nature of Casolaro's investigation of INSLAW, the local police expanded their investigation of his death. On January 25, 1992, they issued a press release confirming their earlier conclusion that the cause of death was suicide.

In September 1993, a West Virginia court dismissed a lawsuit brought by Casolaro's family against the city of Martinsburg for negligence in their police investigation.

Other Investigations

In its September 1992 report The INSLAW Affair, the House of Representatives Committee on the Judiciary concluded that further investigation into the circumstances surrounding Casolaro's death was warranted. Judge Nicholas Bua, in his report to the Attorney General, concluded that "Mr. Casolaro's death was fully and fairly investigated and that the conclusion of the local

authorities that his death was a suicide was amply supported by the facts."

Further Investigation

As part of the review of Judge Bua's report, the Associate Attorney General has decided to arrange for a federal prosecutor to review the Martinsburg police records to determine whether any further investigation is warranted. The prosecutor has not yet been selected.



U. S. Department of Justice

United States Attorney
Central District of CaliforniaUnited States Courthouse
312 North Spring Street
Los Angeles, California 90012FACSIMILE TRANSMISSION
COVER PAGE

FROM: STEVEN E. ZIPPERSTEIN
ORGANIZATION: Chief Assistant U.S. Attorney
U.S. Attorney's Office/CDCCalifornia
PHONE: (213) 894-2402 Fax: (213) 894-2535
TO: John Dwyer Fax: (202) 514-1724
DATE: 3/29/94
NUMBER OF PAGES: FIVE (5) (Including Cover Page)

CONTENTS:

NOTE: If you do not receive the total number of pages indicated, please call the sending individual listed above.

Please use this cover when transmitting multiple pages or directing document(s) to individuals not identified in contents.

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03/29/94 09:34
03/18/94 19:47
03/17/94 12:44
MAR-16-1994 17:59 FROM

CRM/OAAG/RBB/DM
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7988887 P. 002/005



INSLAW, Inc.

1125 15th Street NW Washington, DC 20005-2707
(202) 828-8600 FAX (202) 659-0755

William A. Hamilton, President

MEMORANDUM

To: Elliot L. Richardson, Esquire
Charles R. Work, Esquire

From: William A. and Nancy B. Hamilton

Date: March 16, 1994

Subject: Sworn Statement from William R. Turner Relevant to Danny Casolaro's Death

We received this morning, via UPS, a sworn, notarized statement by William R. Turner, a copy of which is attached. Turner is currently residing in Knoxville, Tennessee. Turner claims in his affidavit to have received threats against his life "from different sources" in the past, and he expresses the belief that dissemination of the information in the affidavit to "the wrong person" could "result in serious harm to my family and myself." Highlights of his sworn claims include the following:

- That Danny Casolaro told him on Friday afternoon, August 9, 1991, when they met in the parking lot of the Sheraton Hotel in Martinsburg, West Virginia, that his meeting scheduled for Friday evening was to be with
 - Peter Videnicks
 - Joseph Cuellar
 - Robert Altman of First American Bank
 - An unidentified person from Senator Robert Byrd's office and
 - An unidentified person from the Internal Revenue Service (IRS); [The national computer center of the IRS is in Martinsburg, West Virginia.]

NW: 15457 DocId: 70002 [Redacted] and Clark Clifford resigned from First American Bank four days later on August 13, 1991. On July 29, 1991, New York County District Attorney Robert Morgenthau had indicted BCCI, Abedi, and Nagni, and the Federal Reserve had fined BCCI \$200 million.]

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TO

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Memorandum to
Elliot L. Richardson, Esq.
Charles R. Work, Esq.
March 16, 1994
Page 2

- That some of Casolaro's documents reflected Bank of Commerce and Credit International (BCCI) payments, funnelled through First American Bank, to U.S. Government officials at the Justice Department, the Treasury Department, the U.S. Customs Service, and the IRS;
- That some of Casolaro's documents reflected accounts at BCCI and/or First American held by the CIA, the DIA, and the National Security Council (NSC);
- That one of Casolaro's documents reflected the involvement of both Bobby Inman and Robert McFarlane in the sale of PROMIS to Israel;
- That some documents showed PROMIS-derivative software products, known by names other than PROMIS, sold to Arab countries, and cleared for export by Peter Videnieks;
- That some of the documents related to shipments to and from Pakistan that had been approved by William Casey and that Casolaro also had notes from Peter Videnieks relating to these matters;
- That Casolaro had obtained some of the documents from Alan Standorf; [Standorf, a civilian employee of the National Security Agency, was found murdered in his car at National Airport in January 1991, eight months before Casolaro's death.]
- That wire transfer documents showed the flow of money from accounts at both the World Bank and BCCI, belonging to foreign governments and agents, to accounts of Earl Brian and of shell companies in the Cayman Islands and Switzerland "with connections made by Ed Meese";
- That the documents included cancelled BCCI checks signed by Adnan Khashoggi and made out to the same shell companies and to accounts held by Earl Brian and Richard Secord;
- That the documents reflected that Peter Videnieks had cleared shipments of computer software, arms, and gold through U.S. Customs; and
- That some of the documents were marked Top Secret and SCI (Sensitive

NW: 15457 DocId: 70002067 Page 169

* That the documents reflected that Peter Videnieks had cleared shipments of computer software, arms, and gold through U.S. Customs; and

* That some of the documents were marked Top Secret and SCI (Sensitive

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Memorandum to
Elliot L. Richardson, Esq.
Charles R. Work, Esq.
March 16, 1994
Page 3

Turner states the reason he is coming forward is that he has been "harassed" by the Justice Department and the Treasury Department. He is referring to the five months he spent in prison on false bank robbery charges and the current pursuit of him on the basis of an alleged violation of his probation. Because some of the documents bore markings of Top Secret and SCI (Sensitive Compartmented Information), Turner has been fearful that the government might seek to penalize him for having been privy to the documents. He is fearful as well that, if imprisoned again, he will be subject to further harassment and possibly death.

Turner states that he wrote to Attorney General Reno on February 10, 1994 outlining his problems and requesting her help. He has told us he never received a response to his letter.

Turner told us that he expects to be indicted today, March 16, 1994 by the U.S. Attorney's Office in Knoxville and charged with violating the terms of his probation by possessing firearms in his home. He said the firearms belong to his wife, who inherited them from her father. Turner said that the probation arose from an earlier charge that he had made false statements to the Veterans Administration that resulted in his receipt of overpayments of about \$40-plus thousand, but that Turner maintains that that matter had been "resolved" by a consent agreement on repayment.

FOIA(b)(7) - (C)
36 CFR 1256.58 - Law Enforcement

Turner told us on December 18, 1993 that [redacted] had telephoned him from Washington, DC, earlier that day, to interview him about Danny Casolano's death. Turner said that he insisted that Special Agent Erskine interview him face-to-face in Knoxville, where he could confirm that Erskine is who he claims to be and that, otherwise, Turner would not reveal anything to Special Agent Erskine that is not already in the public record.

Turner said that he never heard again from [redacted] but that on December 22, 1993, the federal probation authority received information from a source whom they will not identify that Turner was in violation of his probation by having weapons in his home. At some later date, the U.S. Treasury Department's Bureau of Alcohol, Tobacco and Firearms (BATF) NW: 15457 Derailed/DOA/200767hBngw/87a search warrant and confiscated a number of weapons, which Turner claims are the property of his wife, inherited from his father-in-law.

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03/17/94 12:45 **8202 778 8087**
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TO

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Memorandum to
Elliot L. Richardson, Esq.
Charles R. Work, Esq.
March 16, 1994
Page 4

In September 1991, the month after Danny Casolaro was found dead in Martinsburg, West Virginia, the FBI and local law enforcement raided Turner's home in Winchester, Virginia, about 20 miles from Martinsburg, pursuant to a search warrant, and confiscated documents, cash and clothing. Turner was arrested that same month and charged with two bank robberies. After being held in pre-trial custody for about six months, the local authorities dismissed the criminal charges and released Turner. Turner claims, however, that neither the FBI nor the local police have ever returned any of the property that they seized pursuant to the bank robbery search warrant.

* * * * *

According to Mr. Turner's defense counsel, Federal Public Defender Leah J. Prewitt (615-637-7979),

36 CFR 1256.56 - Personal Privacy
FOIA(b)(6)

Date: Monday, November 1, 1993 5:03 pm
From: SMO02(DWYERJOH)
Subject:

Steve:

Our 4:00 meeting was cancelled. As soon as I talk with Webb, I'll let you know.

Chuck Knight (312-578-6573), a law partner of Judge Bua's, took the lead in reviewing Casolaro's death. He is expecting a call from you sometime in the next week.

The materials accumulated by Bua on the death are being assembled and will be mailed by Fed Ex shortly.

[redacted] an FBI agent in Chicago, is apparently now in possession of Casolaro's personal effects. He is at either 708-429-2227 or 312-431-1333.

Thanks.

John

[redacted]
FOIA(b)(7) - (C)
36 CFR 1256.58 - Law Enforcement



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

October 20, 1993

MEMORANDUM

TO: INSLAW File

FROM: John Dwyer

SUBJECT: October 18, 1993 Meeting with Casolaro Family

On Monday, October 18, 1993, Webb Hubbell and I met with Frances Casolaro (Danny Casolaro's mother), Dr. Tony Casolaro (Danny Casolaro's brother), and Ann Klenk (long time friend of Danny Casolaro) and another woman who I believe was a Casolaro family member. The purpose of the meeting was to discuss the concerns the Casolaro family had with regard to the investigation into Danny Casolaro's death.

Dr. Casolaro outlined the following concerns with the investigation:

- (1) There was a two day delay in notification of the family of the death;
- (2) The body was embalmed prior to notification of the family and prior to an autopsy being performed;
- (3) The police failed to seal the room and protect it as a crime scene;
- (4) The police never found the papers that Danny Casolaro routinely kept with him;
- (5) According to the police, many leads were not followed up. As an example of leads not followed up, Dr. Casolaro stated that the night before he was found dead, Danny Casolaro was seen arguing with a man of middle eastern ancestry. There was never any attempt to find that individual according to Dr. Casolaro. Also, on the Sunday following the death, a reporter at the Village Voice in New York received a call that a reporter had been killed and that it should be looked into. The reporter at the Village Voice was Dan Pishoff. There was no follow-up into this lead as to why somebody would be contacting a reporter at the Village Voice even before the Casolaro family had been contacted.

The Casolaros were also concerned that the West Virginia police never followed up leads provided to them by FBI Agent Tom Gates. The West Virginia police never called Mr. Gates. Dr. Casolaro was also contacted by FBI Agent [redacted] about a week after the death with information regarding the death. I believe Dr. Casolaro stated that Agent West contacted FBI Agent [redacted] of the Martinsburg FBI Office. He stated that they were not investigating the death but that he would forward the information on to the local police. Recently, Dr. Casolaro spoke with Agent [redacted] who informed him that he had never contacted Agent West.

Ms. Klenk was particularly concerned with the connections with Robert Booth Nichols. He was one of Danny Casolaro's chief sources. He was introduced to Danny by Bill Hamilton. Hamilton also introduced Danny to Michael Riconosciutto. Ms. Klenk noted that Riconosciutto originally met Hamilton through the Lyndon LaRouche organization (an individual named Steinberg). She believes that Danny Casolaro was scared of Booth Nichols. Apparently, Danny had transcripts of wire-taps of Booth Nichols from the MCA investigation in Los Angeles.

Ms. Klenk also stated that on the Monday before his death, Danny Casolaro informed her that he "broke" INSLAW. However, he seemed disgusted and stated that Ms. Klenk could have the entire story. She believes that when he said that he had broken INSLAW he meant it in the sense that he had finally discovered that there was no real conspiracy with regard to the INSLAW matter. It appeared that the Casolaro family also believes that his investigation into the INSLAW conspiracy charges were reaching dead ends. They are concerned, however, that he may have uncovered information with regard to other matters which could somehow be involved with his death.

Ms. Klenk stated that she had been in touch with some investigators from US Customs who were investigating Peter Videnieks. They are Scott Lawrence and Tim Kelly (617-565-5950). She has provided documents to the University of Missouri and to Judy Johnson of the FBI as part of the BCCI investigation.

The Casolaros asked help from the Department of Justice in two ways. First, they have never been able to get the Martinsburg Police Department to return Danny Casolaro's personal belongings. They have asked several times and would appreciate help in that effort. Second, there were many shady characters involved in Danny Casolaro's research. They are not convinced that they were uninvolved in his death. They have asked for at least a review of the local police investigation.